YUKIGUNI MAITAKE CO., LTD.

Financial Results for 3rd Quarter of Fiscal Year Ending March 2025

February 6, 2025

Tokyo Stock Exchange,
Prime Market: 1375

AGENDA

1. **Summary of Consolidated Financial Results for 3Q of FYE March 2025**
2. **New Business**
3. **Forecast of Consolidated Financial Results for FYE March 2025**
4. **Sustainability**
5. **Medium- Term Business Plan for FYE March 31, 2024 to FYE March 31, 2028**
6. **Financial Policies and Shareholder Returns**
7. **Reference Materials**

(Caution concerning forward-looking statements)
The forward-looking statements, such as forecasts of financial results, included in this document are based on information available to the management as of the date of the document and certain assumptions that the management considers reasonable. The Company does not promise that forecasts will be achieved. Actual results may differ significantly due to a range of factors.

1 Summary of Consolidated Financial Results for 3Q of FYE March 2025

Summary of Financial Results for 3rd Quarter Fiscal Year Ending March 2025

In the nine months of the current period, revenue and Core EBITDA outperformed both year-on-year and the forecast.

External Environment

- Poor growth of vegetables due to weather conditions led to a decrease in the volume of produce arriving and a rise in prices, and combined with stable cultivation and seasonality, demand for mushrooms increased.
- The unstable supply of vegetables due to poor growth continued, and the overall vegetable market price increased compared to the previous year.
- Continuing from the previous quarter, consumers continued to be thrifty and selective in their spending due to high prices and high vegetable prices.
- Continued inflation were driving up unit costs, and changes in the labor environment were driving up labor costs.

Our Response

- By making the most of multiple SKUs and offering the most suitable products to meet increasing demand, we were able to achieve a unit sales price level that exceeded both the previous year and our plan.
- Created product labels and sales areas to match seasonal events, and tried to stimulate consumer purchasing desire by emphasizing the sense of the season, in order to increase sales.
- Increased exposure on online media such as YouTube and social networking sites to spread information.
- Aimed to reduce costs, including SG&A expenses, by controlling sales volume in line with a price-focused strategy.

Summary

Revenue
JPY 27.2 billion

- YoY
  JPY +2.9 billion
  （*+12.0%*）
- vs Forecast

Core EBITDA
JPY 4.8 billion

- YoY
  JPY +1.0 billion
  （+26.0%）
- vs Forecast

Consolidated Statements of Income (3rd Quarter)

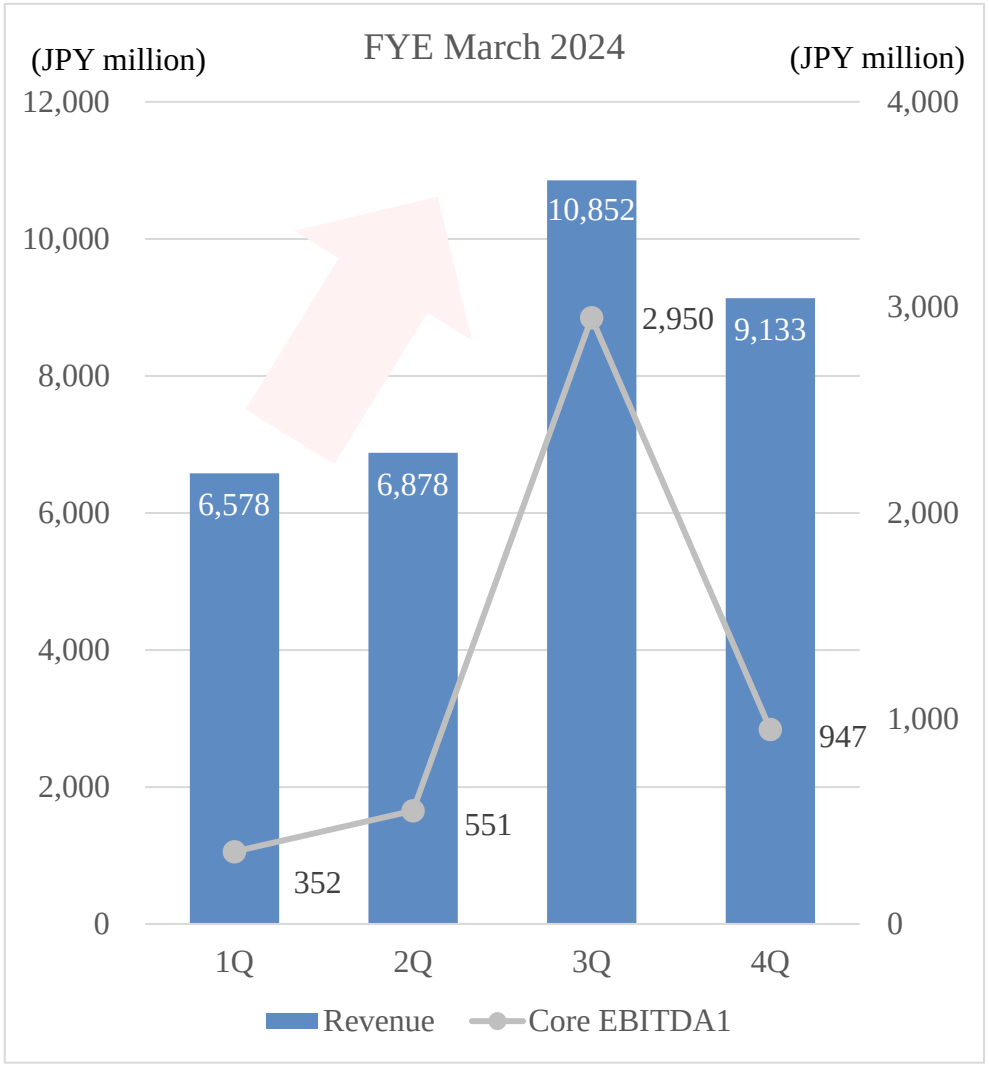
In the nine months of the current fiscal year, revenue and profits increased compared to the same period of the previous fiscal year.

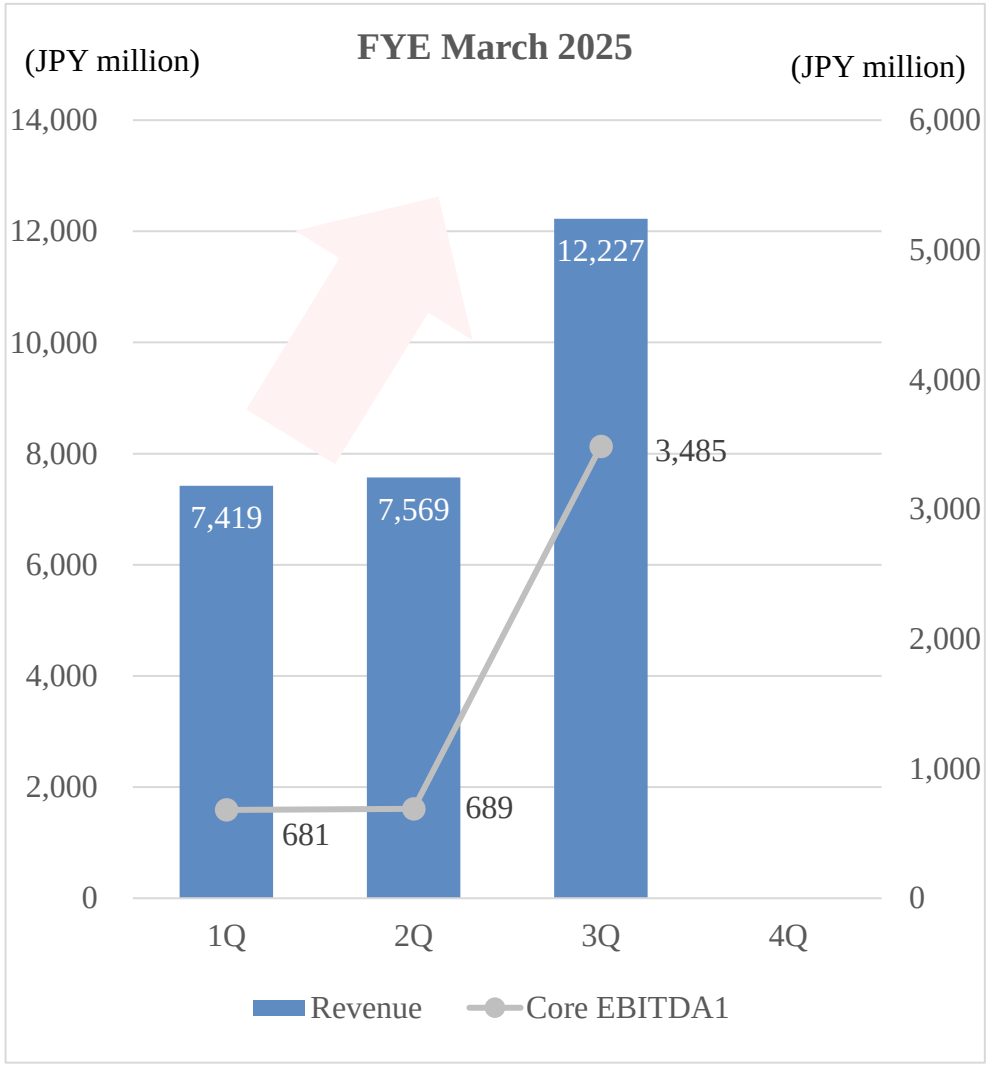
(JPY million)	3Q FYE March 2025 Actual	3Q FYE March 2024 Actual	Change Amount/Margin	Change %
Revenue	**27,216**	24,309	+2,906	*+12.0%*
Gains Arising from Changes in Fair Value	**12,351**	11,359	+992	*+8.7%*
Total Income	**39,568**	35,669	+3,898	*+10.9%*
Material Costs, Labor Costs, etc.	**17,472**	15,993	+1,479	*+9.2%*
Gains Arising from Changes in Fair Value	**11,000**	9,697	+1,302	*+13.4%*
Cost of Sales	**28,473**	25,691	+2,781	*+10.8%*
Gross Profit	**11,094**	9,977	+1,117	*+11.2%*
SG&A Expenses	**6,721**	6,463	+257	*+4.0%*
Other Income	**79**	176	(97)	*-55.1%*
Other Expenses	**141**	78	+62	*+79.6%*
Operating Profit	**4,311**	3,611	+699	*+19.4%*
vs Revenue	***15.8%***	*14.9%*	*+1.0%*	-
vs Total Income	***10.9%***	*10.1%*	*+0.8%*	-
Profit before Tax	**4,139**	3,252	+887	*+27.3%*
Profit Attributable to Owners of Parent	**2,689**	2,130	+559	*+26.3%*
[Reference]				
Core Operating Profit[1]	**3,088**	2,208	+879	*+39.8%*
Core EBITDA[1]	**4,856**	3,855	+1,001	*+26.0%*
Core EBITDA margin[1]	***17.8%***	*15.9%*	*+2.0%*	-

1 Core Operating Profit ＝Operating Profit － the effect of applying IAS 41 “Agriculture” － Other income and expenses － One-time income and expenses
Core EBITDA＝Core Operating Profit + Depreciation and Amortization Core EBITDA margin ＝ Core EBITDA / Revenue

Consolidated Operating Results (Quarterly Trends)

Both Revenue and Core EBITDA were higher in this third quarter than those in the same period of the previous year.

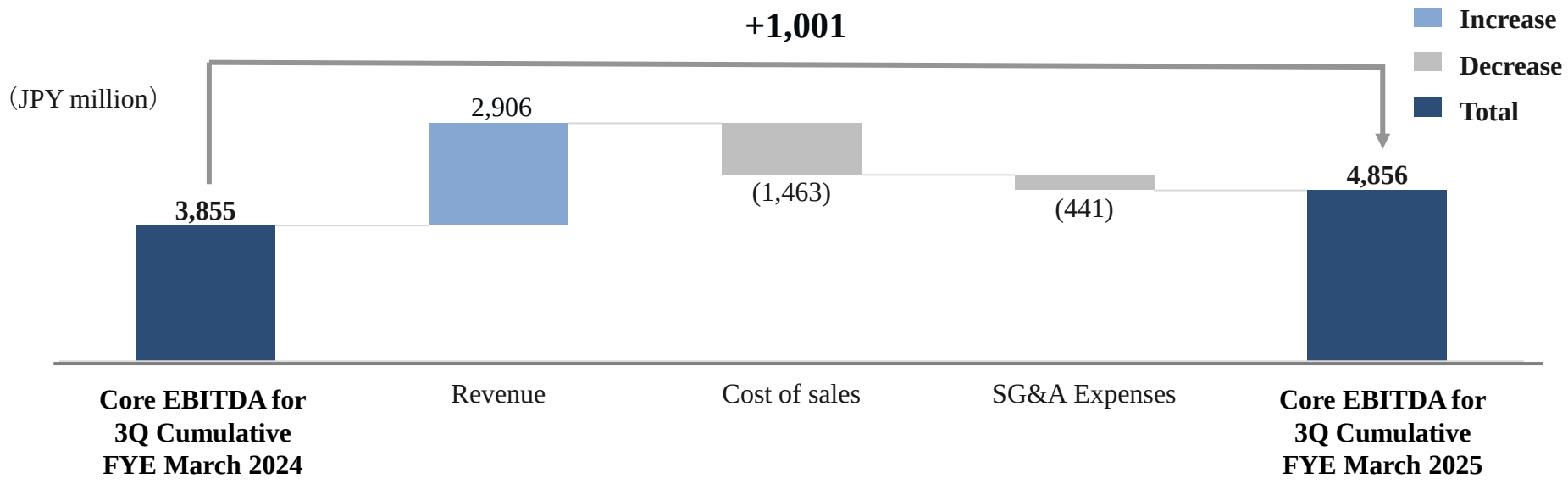




1 Core EBITDA＝Core Operating Profit + Depreciation and Amortization

Analysis of Core EBITDA (3Q Cumulative Year-on-Year)

Core EBITDA also increased due to revenue increased.



External environment	• **Factors affecting Revenue** ✓ Growing demand of mushroom market as a whole ✓ Tailwind for high-priced sales in an inflationary environment ✓ Decrease in the volume of produce arriving and a rise in prices due to poor vegetable production ✓ Consumers continue to be thrifty • **Factors affecting Cost of sales** ✓ Uncertainty due to unstable global conditions ✓ Continuing trend of yen's depreciation ✓ Rising prices due to inflation ✓ Rising trend in wages
Core EBITDA variable factors	• **Main factors affecting changes in Revenue** ✓ (Maitake) Increase in unit sales price and sales volume ✓ (Eryngii) Increase in unit sales price ✓ (Buna shimeji) Increase in unit sales price and sales volume • **Main factors affecting changes in Cost** ✓ Rising raw materials prices ✓ Rising labor costs ✓ Increase in sales volume

Revenue by Business Segment (3Q Cumulative)

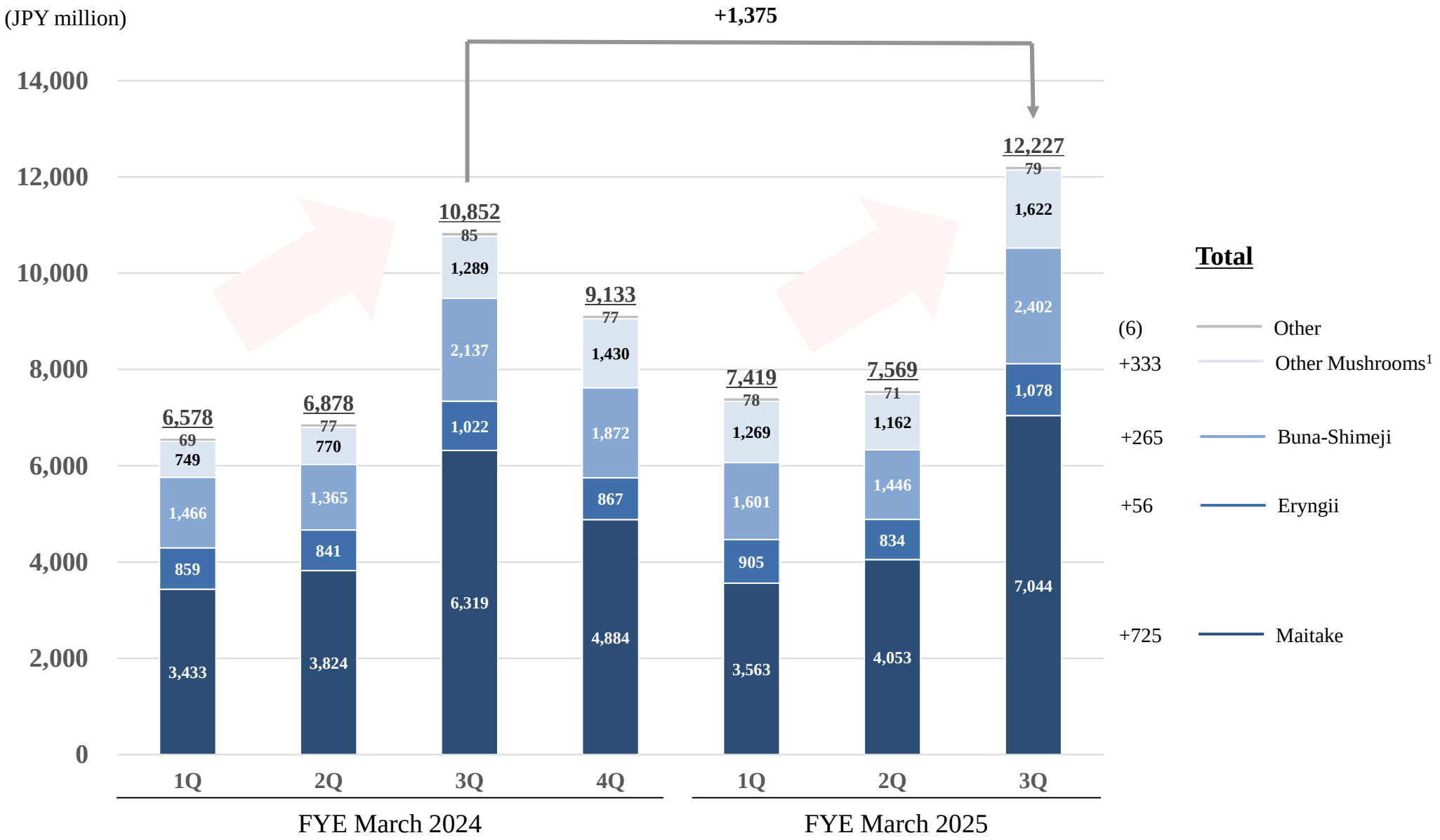
Revenue of all segments increased in the same period of the previous year.
Overseas Business in other mushrooms accounts for about 40%.

(JPY million)	3Q FYE March 2024 Actual	3Q FYE March 2024 *Composition Ratio*	**3Q FYE March 2025 Actual**	***Composition Ratio***	Increase (Decrease) Amount	*Change YoY*
Total Revenue	24,309	*100.0%*	**27,216**	***100.0%***	2,906	*+12.0%*
Mushroom Business	24,077	*99.0%*	**26,986**	***99.2%***	2,908	*+12.1%*
Maitake	13,577	*55.8%*	**14,661**	***53.9%***	1,084	*+8.0%*
Eryngii	2,722	*11.2%*	**2,819**	***10.4%***	96	*+3.6%*
Buna-Shimeji	4,969	*20.4%*	**5,450**	***20.0%***	480	*+9.7%*
Other Mushrooms[1]	2,808	*11.6%*	**4,055**	***14.9%***	1,246	*+44.4%*
Other	231	*1.0%*	**229**	***0.8%***	(2)	*-0.9%*

[1] Hon-Shimeji, Hatake-Shimeji, Button-Mushroom, Overseas Business, purchased mushrooms, etc.

Revenue Trends by Business Segment (Quarterly Trends)

Revenue of all mushrooms including Maitake has been on an upward trend toward the 3rd Quarter.



[1] Hon-Shimeji, Hatake-Shimeji, Button-Mushroom, Overseas Business, purchased mushrooms, etc.

Status of Mushroom Business (3Q Cumulative FYE March 2025)

As for sales volume, Eryngii was negative compared to the same period of the previous year and the forecast, while Maitake was
positive compared to same period of the previous year but negative compared to the forecast, and Buna-Shimeji was almost flat compared to the same period of the previous year and the forecast.
As for unit sales prices of Maitake, Eryngii and Buna-Shimeji significantly increased both the same period of the previous year and the plan.

	Sales Volume Comparison [1]		Unit Sales Price Comparison [1]	
(%)	vs 3Q FYE Mar 2024	vs Forecast	vs 3Q FYE Mar 2024	vs Forecast
Maitake	*101.8%*	***95.5%***	*106.7%*	***106.3%***
Eryngii	*95.1%*	***96.8%***	*109.2%*	***113.3%***
Buna-Shimeji	*101.6%*	***101.5%***	*108.3%*	***109.9%***
Other Mushrooms[2]	*92.6%*	***86.0%***	*99.9%*	***94.6%***

[1] Comparison excluding Overseas Business and processed products
[2] Comparison by the total of Hon-Shimeji, Hatake-Shimeji and button mushrooms

Consolidated Statements of Financial Position

Capital depth increased due to the accumulation of profit.

(JPY million)	As of Mar 31, 2024 Actual	**As of Dec 31, 2024 Actual**	Increase (Decrease) Amount	*Change YoY*
Current Assets	10,615	**13,055**	2,440	*+23.0%*
Cash and Cash Equivalents	2,797	**2,716**	(81)	*-2.9%*
Trade and Other Receivables	3,211	**4,359**	+1,147	*+35.7%*
Inventories	1,476	**1,602**	+125	*+8.5%*
Biological Assets	2,939	**4,228**	+1,289	*+43.9%*
Non-current Assets	27,645	**27,339**	(305)	*-1.1%*
Property, Plant and Equipment	19,621	**19,392**	(228)	*-1.2%*
Goodwill and Intangible Asset	6,025	**5,993**	(31)	*-0.5%*
Total Assets	38,260	**40,395**	+2,134	*+5.6%*
Current Liabilities	9,278	**10,112**	+833	*+9.0%*
Trade and Other Payables	3,570	**4,207**	+636	*+17.8%*
Accrued Income Taxes	940	**1,448**	+508	*+54.1%*
Short-term Borrowings	-	**-**	-	-
Current Portion of Long-Term Borrowings	1,422	**1,422**	0	*0.0%*
Non-current Liabilities	17,370	**16,491**	(879)	*-5.1%*
Borrowings	16,857	**16,020**	(837)	*-5.0%*
Lease Liabilities	196	**159**	(37)	*-19.0%*
Total Liabilities	26,649	**26,604**	(45)	*-0.2%*
Total Equity	11,610	**13,790**	+2,179	*+18.8%*
Total Equity Attributable to Owners of Parent	11,446	**13,626**	+2,179	*+19.0%*
Total Liabilities and Equity	38,260	**40,395**	+2,134	*+5.6%*

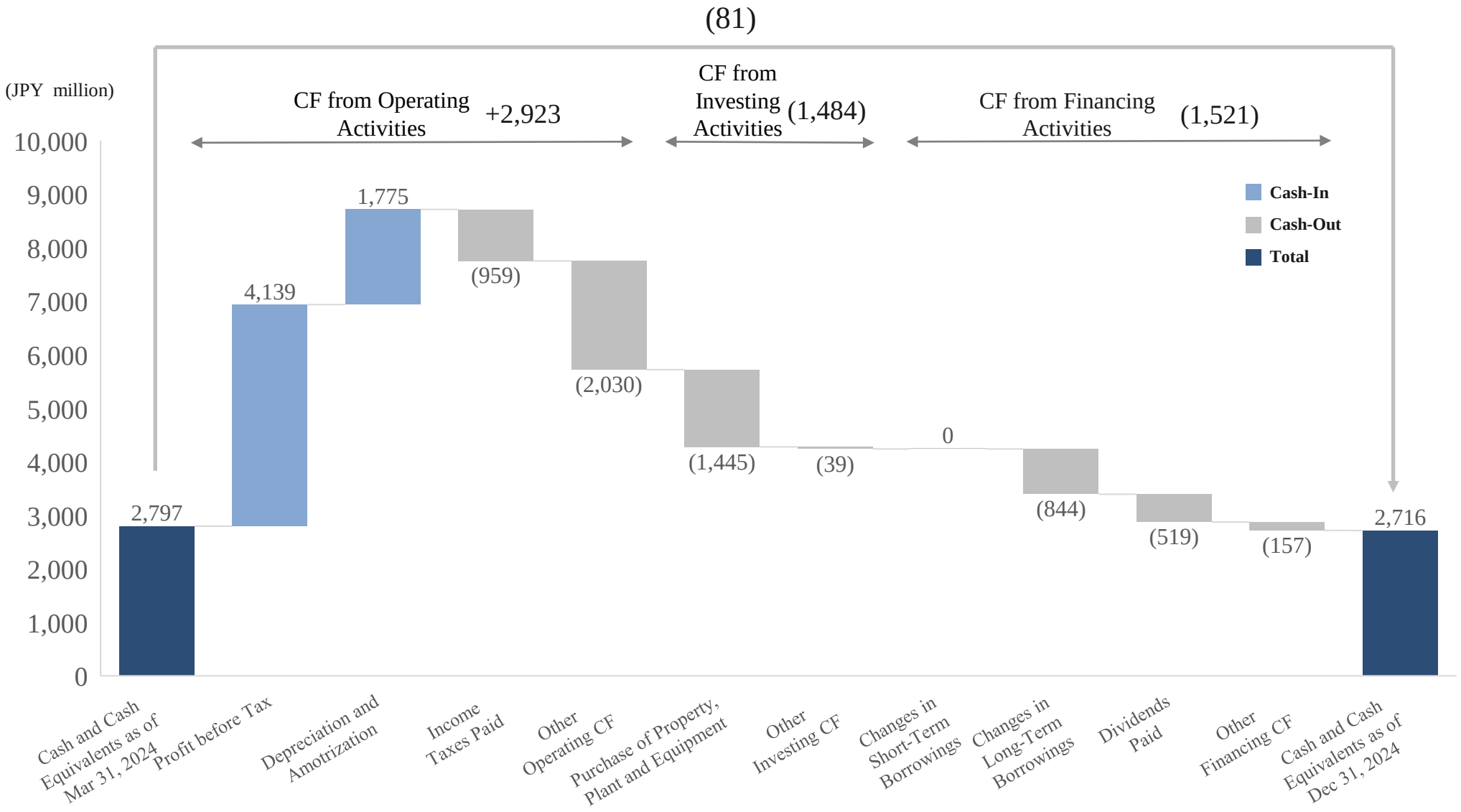
Consolidated Statements of Cash Flows (3Q Cumulative Year-on-Year)

Cash Flows from Operating Activities･･･Net cash provided increased due to an increase in Profit before Tax. Cash used for the current period is lower than the previous period due to the impact of bank holidays at the beginning of the period.
Cash Flows from Investing Activities･･･ Net cash used increased due to capital expenditures. The previous term was irregular because of the purchase of Shares of Subsidiaries.
Cash Flows from Financing Activities･･･ Net cash used increased due to a balance decrease in borrowings and increase in Dividends Paid.

(JPY million)	3Q FYE March 31, 2024	**3Q FYE March 31, 2025**	Increase (Decrease)
Cash Flows from Operating Activities	3,044	**2,923**	(120)
Profit before Tax	3,252	**4,139**	+887
Depreciation and Amortization	1,654	**1,775**	+121
Decrease (Increase) in Trade and Other Receivables	(1,796)	**(1,168)**	+628
Decrease (Increase) in Inventories and Biological Assets	(1,608)	**(1,414)**	+194
Increase (Decrease) in Trade and Other Payables	1,790	**503**	(1,287)
Income Taxes Paid	(691)	**(959)**	(268)
Other	444	**48**	(395)
Cash Flows from Investing Activities	(2,030)	**(1,484)**	+546
Purchase of Property, Plant and Equipment	(1,150)	**(1,445)**	(294)
Purchase of Intangible Asset	(0)	**(2)**	(2)
Purchase of Shares of Subsidiaries	(856)	**-**	+856
Other	(22)	**(36)**	(13)
Cash Flows from Financing Activities	1,146	**(1,521)**	(2,668)
Proceeds from Short-Term Borrowings	4,300	**2,000**	(2,300)
Repayments of Short-Term Borrowings	(2,500)	**(2,000)**	+500
Proceeds from Long-Term Borrowings	1,323	**-**	(1,323)
Repayments of Long-Term Borrowings	(1,540)	**(844)**	+695
Dividends Paid	(281)	**(519)**	(238)
Other	(154)	**(157)**	(2)
Net Increase (Decrease) in Cash and Cash Equivalents	2,160	**(81)**	(2,241)
Cash and Cash Equivalents at the Beginning of the Period	1,060	**2,797**	+1,737
Cash and Cash Equivalents at the End of the Period	3,221	**2,716**	(504)

Consolidated Cash Flow Analysis (3Q Cumulative)

Net cash provided by operating activities was more than income taxes paid, resulting in JPY 2,923 million increased in CF from operating activities. Cash and cash equivalents decreased by JPY 81 million due to the purchase of property, plant and equipment and so on.

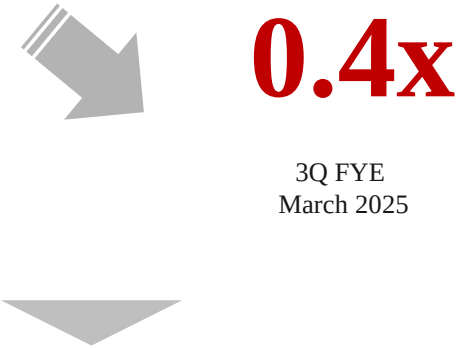


Key Financial Indicators

Due to decreased borrowings and an upward trend in core EBITDA, both the Net D/E ratio and the Net D/Core EBITDA have improved from the levels at the end of the previous fiscal year.

Changes of Financial Indicator Regarding Goodwill

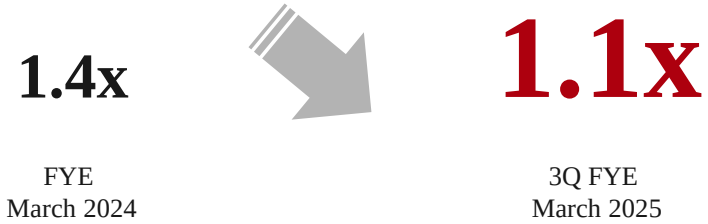
Goodwill to Net Assets Ratio [1]



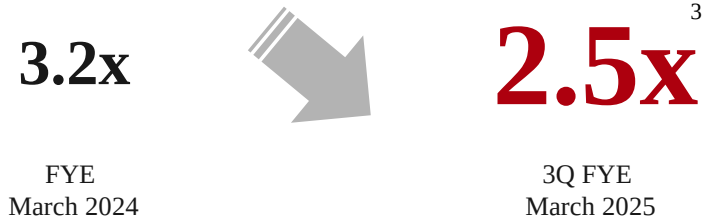
- **Regardless of the sign of impairment, implement an impairment test once a year**
- **Check signs of impairment quarterly and implement an impairment test if there are any signs of impairment**

Changes in Financial Indicator Regarding Net Debt

Net Debt to Equity Ratio [1]



Net Debt to Core EBITDA Ratio [2]



[1] IFRS based consolidated financial figures
[2] Using actual Core EBITDA figures. Core EBITDA＝Core Operating Profit＋Depreciation and Amortization
[3] Estimated by last 12 months (LTM) cumulative Core EBITDA

Key Performance Indicators

In the nine months of the current fiscal year, both revenue and profit increased compared to the same period of previous year, and performance indicators improved.

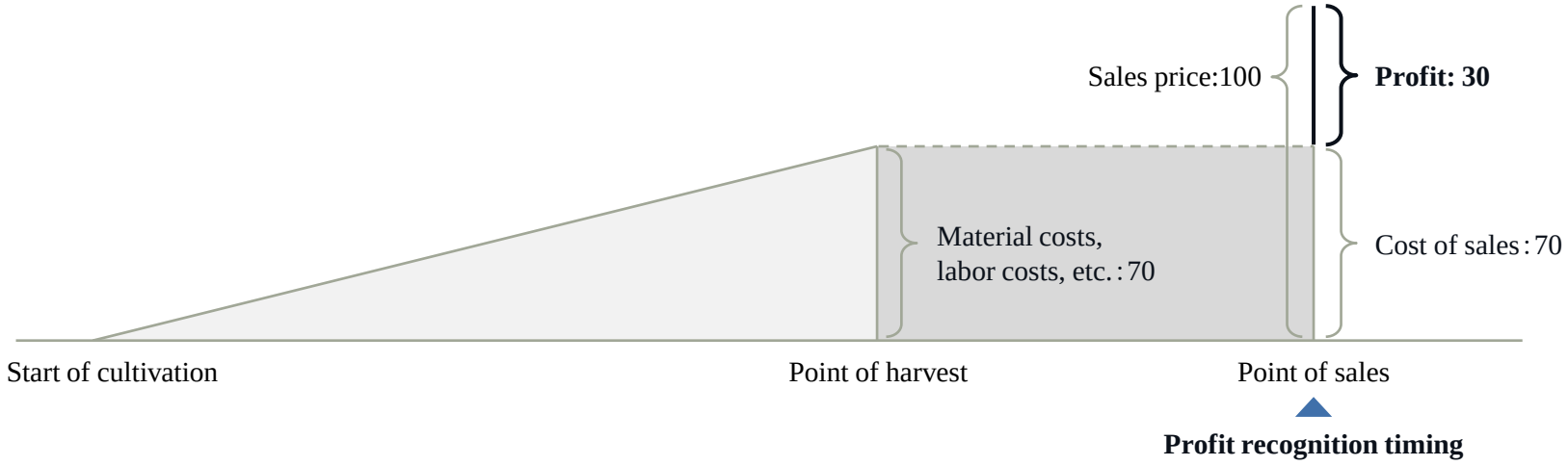
	3Q FYE March 2024	3Q FYE March 2025
Operating Margin	**10.1%**	**10.9%**
Core EBITDA Margin	**15.9%**	**17.8%**
Basic Earnings per Share [1]	**JPY 53.43**	**JPY 67.42**
ROE (Return on Equity Attributable to Owners of Parent) [2]	**13.6%**	**14.8%**
ROIC (Return on Invested Capital) [3]	**6.2%**	**7.3%**

[1] Effective July 30, 2020, the Company split the shares of its common stock on a 100-for-1 basis. Basic Earnings per Share have been restated, as appropriate, on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year
[2] Cumulative actual of the last 12 months (LTM) ROE = Profit Attributable to Owners of Parent / Average Total Equity Attributable to Owners of Parent during the Period
[3] Cumulative actual of the last 12 months (LTM) ROIC = (Operating Profit x (1- Effective Tax Rate) / (Average shareholders' Equity + Average interest-bearing Liabilities)

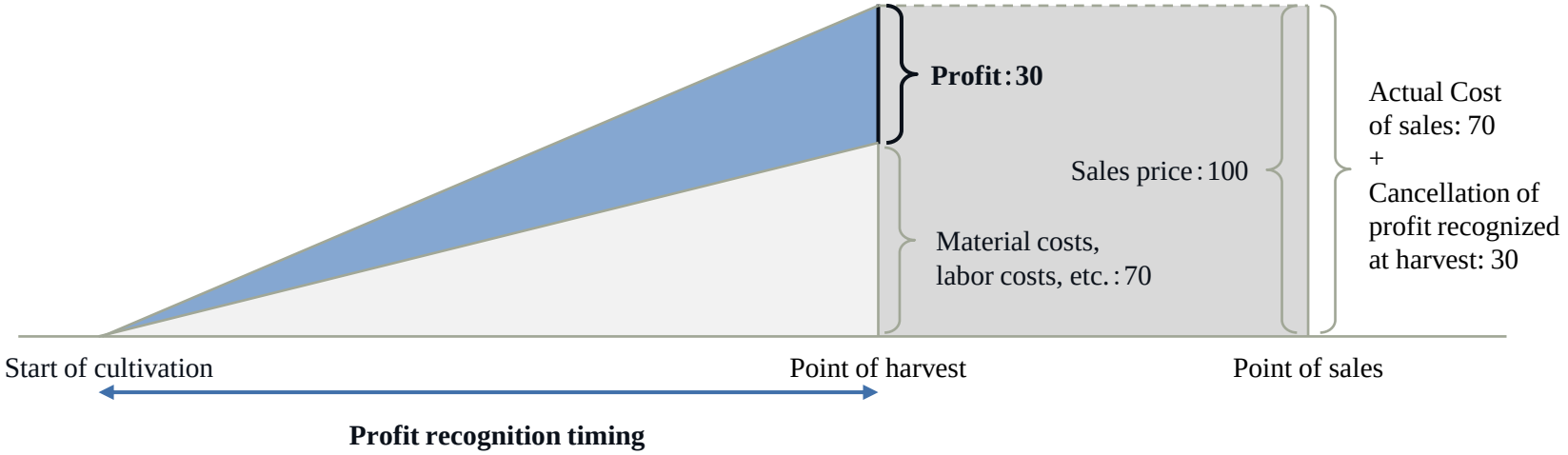
Overview of Accounting Treatment — IAS 41 “Agriculture”

While profit is recognized at the point of sales under JGAAP, profit is recognized in advance during the period between the start of cultivation and the point of harvest under IFRS.

JGAAP



IFRS



Net Impact of Applying Accounting Treatment — IAS 41 “Agriculture” (3Q Cumulative)

Net income impact of + JPY 1,351 million due to the adoption of agricultural accounting, mainly due to the impact of higher inventory levels of work-in-progress of Maitake.

(JPY million)

	Break down	3Q FYE March 2025
Gains Arising from Changes in Fair Value (Income)	Gains in Work-in-Progress (Beg. Bal.)	**(1,145)**
	Gains in Work-in-Progress (End. Bal.)	**2,310**
	Harvest for the Current Period	**11,000**
	Other	**185**
	Total	**12,351**
Gains Arising from Changes in Fair Value (Cost of Sales)	Gains in Finished/Semi-finished Goods (Beg. Bal.)	**(389)**
	Gains in Finished/Semi-finished Goods (End. Bal.)	**545**
	Harvest for the Current Period	**(11,000)**
	Other	**(156)**
	Total	**(11,000)**
Total Net Impact		**1,351**

Gains included in work-in-progress had a positive impact of JPY 1,165 million due to the higher fair value compared to the beginning of the period.

Gains included in finished and semi-finished goods had a positive impact of JPY 156 million due to the higher fair value compared to the beginning of the period.

Net Impact of Applying Accounting Treatment — IAS 41 “Agriculture” (Quarterly Trend)

The net impact of gains arising from changes in fair value fluctuates significantly from quarter to quarter, but the net impact for the full-year is limited.

FYE March 2025

(JPY million)		1Q	2Q	3Q	4Q	Cumulative
Income	**Gains in Work-in-Progress (Beg. Bal.)**	(1,145)	(959)	(2,184)		(1,145)
	Gains in Work-in-Progress (End. Bal.)	959	2,184	2,310		2,310
Cost of Sales	**Gains in Finished/Semi-finished Goods (Beg. Bal.)**	(389)	(469)	(726)		(389)
	Gains in Finished/Semi-finished Goods (End. Bal.)	469	726	545		545
Harvest for the Current Period		±0	±0	±0		±0
Other		29	5	(5)		29
Total Net Impact		(75)	+1,486	(59)		+1,351

FYE March 2024

(JPY million)		1Q	2Q	3Q	4Q	Cumulative
Income	**Gains in Work-in-Progress (Beg. Bal.)**	(764)	(665)	(1,958)	(2,197)	(764)
	Gains in Work-in-Progress (End. Bal.)	665	1,958	2,197	1,113	1,113
Cost of Sales	**Gains in Finished/Semi-finished Goods (Beg. Bal.)**	(277)	(278)	(510)	(471)	(277)
	Gains in Finished/Semi-finished Goods (End. Bal.)	278	510	471	369	369
Harvest for the Current Period		±0	±0	±0	±0	±0
Other		28	8	(1)	(12)	22
Total Net Impact		(69)	+1,533	+197	(1,197)	+463

2

New Business

Features of "Mushroom Meat" and points of appeal to customers

Mushroom Meat" made from "Yukiguni-Maitake Kiwami" with a meat-like texture will be launched on February 18, 2025. Responding to customer needs by proposing new food products that are both tasty and functional, using healthy mushrooms.

End users with a **high health awareness**

Healthy

Main ingredient is mushrooms, **which are low in fat and carbohydrates and high in dietary fiber.**

End users who want to enjoy **mushrooms in different ways**

Flavor

Delicious taste with **the umami of mushrooms.**

End users who also want to pursue a **meat-like texture**

Food texture

Chewy texture like meat, utilizing mushroom fibers



Simple

No need to rehydrate, ready to use

End users who want to **save time when cooking**

Complementarity with vegetables

Enjoy on its own or **add** vegetables to create a rich and varied meal.

Corporate customers (retail) who want to increase their **average customer spendings**

Business model and anticipated scale of new business

By utilizing our strengths in sales networks in the fruit and vegetable section, we will be able to enter market with a high degree of certainty and increase our presence in the markets that have not yet been fully explored by competitors.

Business Model Overview

Utilize existing channels

Since we already have a sales area on the fruit and vegetable shelves, we can expect **a high distribution rate.**

High exposure to shoppers

The rate of customers stopping by the fruit and vegetable section of the supermarket is over 90%, so **high exposure effects** can be expected.

Utilizing our sales network in the fruit and vegetable section, we aim to enter the market quickly and reliably.

By selling our new products with vegetables, expect an increase in the average amount spent per customer.

Benefits for retail customers

As a main or side dish, it can meet **consumers' needs for 'one more dish'.**

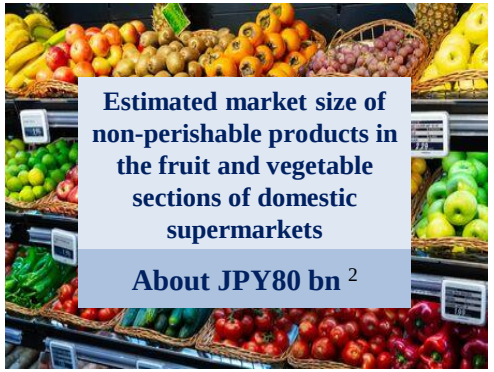
Capture consumer needs

Estimated size of related markets



Alternative Meat Markets in Japan (2030)[1]

About JPY78 bn



Estimated market size of non-perishable products in the fruit and vegetable sections of domestic supermarkets

About JPY80 bn [2]

Aiming for over JPY1 billion sales through sales synergy between mushroom meat and vegetable.

1. According to Seed Planning
2. Estimated by the Company based on the Supermarket White Paper 2023.

Media Exposure

Since the development of mushroom alternative meat, there has been a lot of media interest, and it has been featured in newspapers, magazines, and on the web.





Explored unknown possibilities



Successfully developed in June 2023





Launch in February 2025

Increasing media attention



ORICON NEWS
（August 24, 2023）



「Nikkei MJ」（January 24, 2024）
「The Nikkei Newspaper」（January 27, 2024）

Published in a fashion magazine（May 2024）



The Yomiuri
KODOMO Newspaper
（June 13, 2024）

TV TOKYO “Dawn of Gaia”
(Broadcast scheduled on February 7, 2025）



Nippon Television ”Sekaiichi uketai jugyo”
(The class people want to take the most in the world)
（January 6, 2024）



TBS「THE TIME]
（February 1, 2024）

Satellite TV
Special feature on a business news program
（June 10, 2024）

Renewal of the Company Name (Corporate Brand)

On April 1, 2025, the company name will be changed to Yukiguni Factory Co., Ltd. We will continue to maximize the potential of mushrooms through the technologies and quest for excellence established at Yukiguni, leading to sustainable growth.

Concept behind the New Company Name

Aiming to be a factory that creates new value, free from geographical limitations, while inheriting the tradition and trust honed in Yukiguni era.

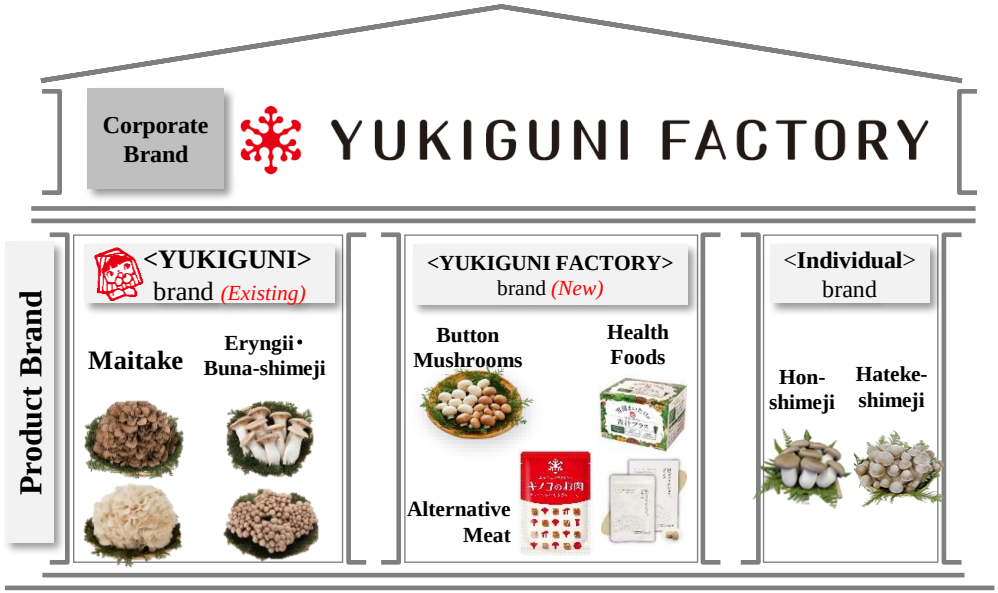
・Inheritance of "YUKIGUNI" identity
・Free from geographical limitations

YUKIGUNI FACTORY CO., LTD.

・Expresses our corporate identity and purpose of "creating" a world of future (global health) by drawing out the power of mushrooms.
・In addition to the existing "safety and security", imaging an exciting company.

Future Brand Structure image

As a family brand, we will continue using the existing "YUKIGUNI" brand under the new corporate name.



Purpose and Corporate Identity（CI）

Purpose

"The World of the Future, with the Power of Mushrooms"

Corporate Identity

"We are a company dedicated to promoting health worldwide
- Not only with our Existing "Technologies & Quest for Excellence" established at "Yukiguni"
- But also by fully utilizing the "New Potential" of mushrooms"

3 Forecast of Consolidated Financial Results for FYE March 2025

Forecast of Consolidated Financial Results for FYE March 2025 / Key figures

Continue the previous year's trend in line with the renewed Medium-Term Business Plan in 2024 and steadily promote strategies to achieve the plan.

(JPY million)	FYE Mar 2024 Actual (A)	**FYE Mar 2025 Forecast (B)**	Variance (B-A)	*Ratio of variance (%)*
Total Income	47,476	**49,990**	2,513	*5.3%*
Revenue	33,443	**36,770**	3,327	*9.9%*
Operating Profit	2,798	**2,620**	(179)	*(6.4%)*
vs Revenue	*8.4%*	***7.1%***	*(1.3%)*	-
Profit before Tax	2,227	**2,370**	142	*6.4%*
Profit Attributable to Owners of Parent	1,350	**1,550**	199	*14.8%*
Basic Earnings per Share (JPY)	33.87	**38.87**	5.00	*14.8%*
Core EBITDA[1]	4,802	**5,190**	387	*8.1%*
Core EBITDA margin[1]	*14.4%*	***14.1%***	*(0.2%)*	-

Major breakdown

Income

- **Revenue: ¥36.7 billion (+9.9% YoY)**
  - ✓ Revenue of maitake: ¥19.7 billion (+7.2% YoY)
  - ✓ Revenue of Eryngii: ¥3.4 billion (-2.8% YoY)
  - ✓ Revenue of Buna-Shimeji: ¥6.7 billion (-1.1% YoY)
  - ✓ Revenue of Other mushroom: ¥6.4billion (+51.4% YoY)
- Gains Arising from Changes in Fair Value: ¥13.2 billion (-5.7% YoY)
- **Total Income: ¥49.9 billion (+5.3% YoY)**

Cost of Sales & Gross Profit

- **Cost of Sales: ¥37.8 billion (+5.6% YoY)**
  - ✓ Material Costs, Labor Costs, etc.: ¥24.4 billion (+9.5% YoY)、
  - ✓ Gains Arising from Changes in Fair Value: ¥13.4 billion (-1.0% YoY)。
- **Gross Profit: ¥12.1 billion (+4.5% YoY)**

SG&A Expenses & Operating Profit

- **SG&A Expenses: ¥9.4 billion (+6.9% YoY)**
- **Operating Profit: ¥2.6 billion (-6.4% YoY)**

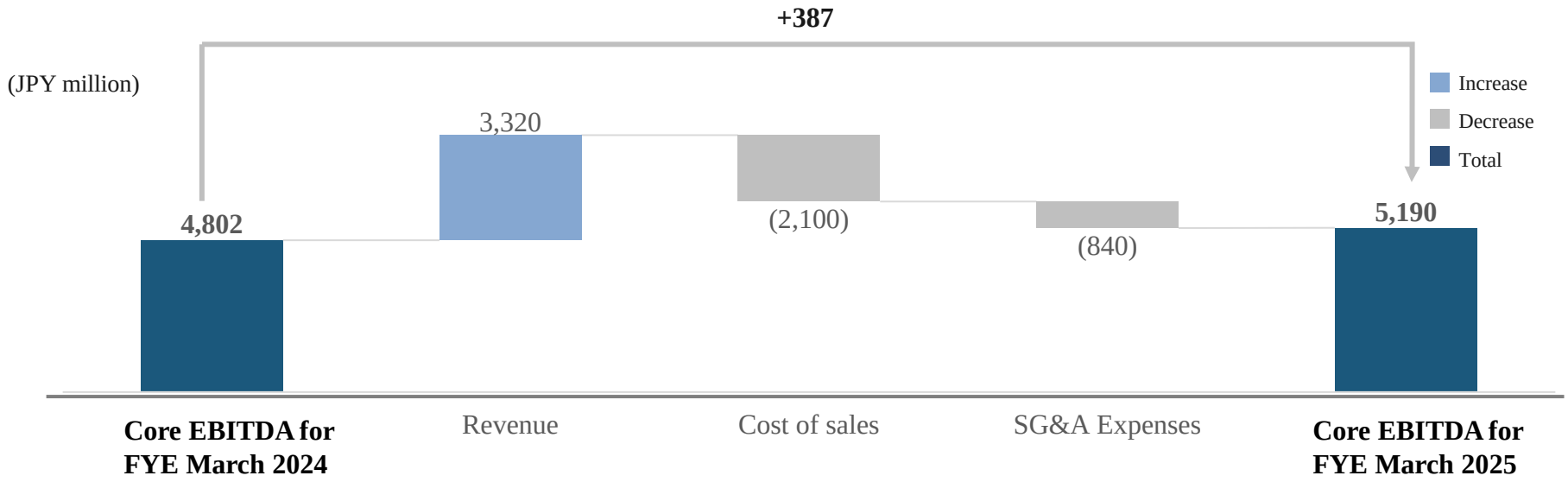
Finance income / expenses & Net income

- **Profit before Tax: ¥2.3 billion (+6.4% YoY)**
  - ✓ Financial balance : -¥0.2 billion (Interest expenses, etc.)
- **Profit Attributable to Owners of Parent: ¥1.5billion (+16.2% YoY)**

1 Core EBITDA＝Core Operating Profit + Depreciation and Amortization　Core EBITDA margin ＝ Core EBITDA / Revenue

Year-on-Year Comparison and Key Assumptions

In the FYE Mar 2025, we will promote the strengthening of the foundation for growth over the medium to long term, with a performance outlook that firmly captures the Medium-Term Business Plan.



Environment outlook

- **Market supply is expected to remain stable**
  - ✓ Unit sales prices will remain at the same level as the previous year based on stable market supply
  - ✓ Consumers tend to be selective amid an inflationary environment
- **Assumption is that costs will remain high due to uncertainty over the economic outlook**
  - ✓ Continued geopolitical risks around the world
  - ✓ High fuel costs and yen's depreciation will affect cost increases
  - ✓ Higher labor costs to improve employee engagement

Strategy for this term

Sales **Generate profit by promoting premium strategy**

- ✓ Gradual expansion of existing businesses through profit-oriented strategies
- ✓ Create demand in niche premium markets by promoting new value through the launch of new businesses
- ✓ Diversified product offerings combining high value-added products
- ✓ Complete the business integration with the Dutch subsidiaries to further expand earnings

Production / Sales Administration **Launch BPR and promote production efficiency improvement**

- ✓ Increase yield by reviewing production and packaging processes
- ✓ Cost reduction by adjusting raw materials
  Improve production efficiency by introducing equipment

4

Sustainability

Initiatives to Sustainability

Sustainability is an important management issue for improving corporate value over the mid- to long-term, and we will establish an internal structure to proactively address ESG issues and promote specific initiatives.

Formulate a value creation process



- Demonstrate how we will create value and develop through our business activities in response to changes in the external environment.
- Continue to grow sustainably with society by leveraging our value chain and strong brand power.

Identify material issues



- Identify material issues that are important and prioritized for sustainable growth and resolution of social issues.
- Establish policy direction and goals for identified each of the seven material issue and manage the progress of those initiatives.

Disclose in line with TCFD recommendations

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

- In November 2021, indicated support for TCFD recommendations.
- Disclose information on "Governance", "Strategy", "Risk Management", and "Metrics and Objectives" as recommended in the TCFD Recommendations.
- After conducting scenario analysis, we published it on our company website in May 2023.

Set GHG emission reduction targets



- Calculate GHG emissions for the entire Yukiguni-Maitake Group.
- Targeting "Net Zero Emissions" by FYE March 2051, we will work to reduce greenhouse gas emissions throughout the entire value chain.
- In June 2022, publicly available on the Company's website.

Proactive Sustainability Initiatives



- Focusing on harmony with nature, people, and society, we will work to solve social issues and promote sustainable growth.
- In July 2024, the company will be selected as a constituent of the "FTSE Blossom Japan Sector Relative Index".

Support for balancing work and childcare

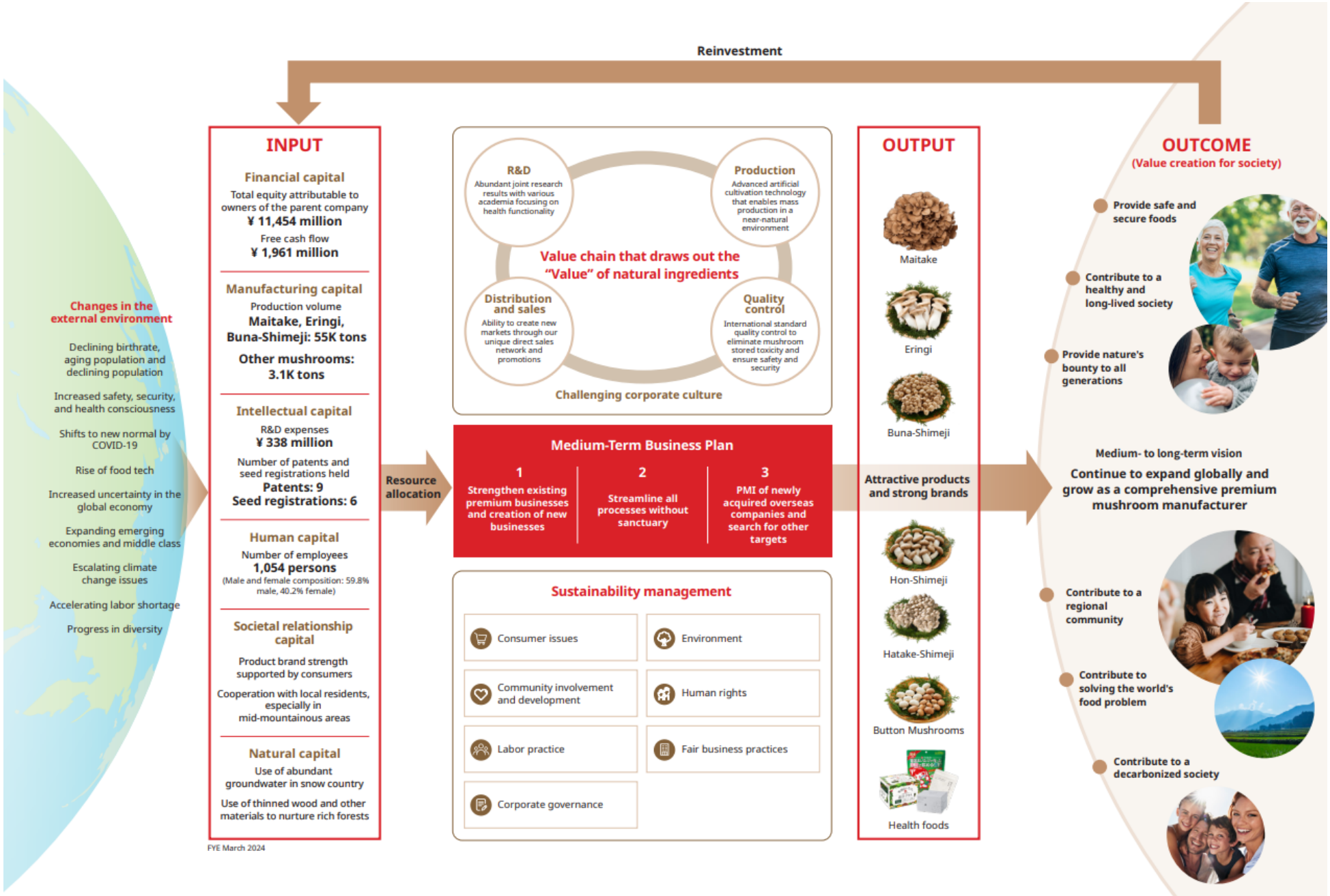


- Create a safe work environment for employees at various life stages, and obtained various certifications.
- Ministry of Health, Labor and Welfare “Kurumin Certification” (June 2023), Niigata Prefecture “Happy Partner Company” (February 2024), Ministry of Health, Labor and Welfare “Eruboshi Certification (Third Stage)” (August 2024).

1 Include generally collected recycled materials and reused of scrap from tray manufacturing plants.

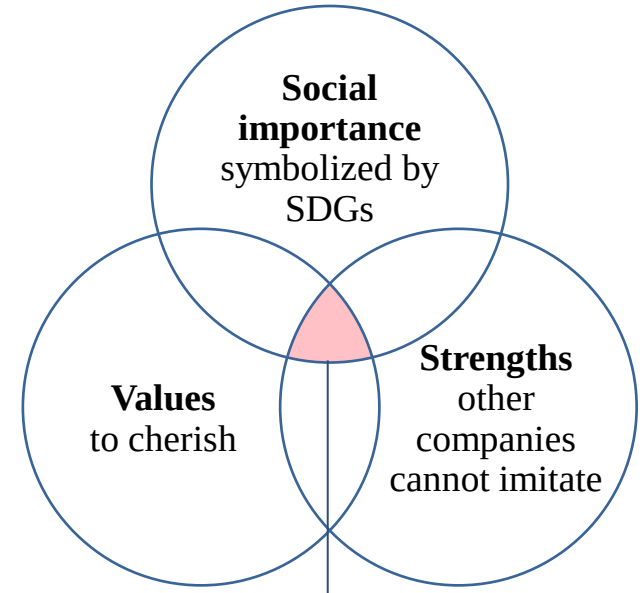
Value Creation Process

Continue to grow sustainably with society through our business activities by leveraging our value chain and our strengths in the face of changes in the external environment.



Identifying Material Issues

Identified seven material issues as important themes to be addressed for the company's sustainable growth and resolution of social issues. Set policy direction and targets for each material issue and manage the progress of initiatives.



Material issues
(Key issues to be addressed)

Value creation process created for a sustainable society in June 2022

E

- Sustainable procurement of raw materials, etc. and use of water resources
- Coping with Climate Change

S

- Realization of a healthy society through the provision of safe, secure, and high-quality mushroom products
- Coexistence with Local Communities
- Creating new value from mushrooms
- Investment in human capital and respect for human rights

G

- Fair, transparent and sound business activities

Disclosure in line with TCFD recommendations

In November 2021, we expressed our support for the TCFD recommendations, and in June 2022, we made disclosures in line with the disclosure framework recommended by the TCFD. In the future, we will further expand the information and conduct scenario analysis to address global warming issues.

Governance

- Established the Sustainability Promotion Committee to address climate change as an important management issue.
- The committee is chaired by a representative director and consists of full-time directors (excluding audit committee members), executive officers, and presidents of group companies.
- Deliberate on important issues regarding basic policies for the environment as a whole, including climate change, and reflect them in management strategies.

Strategy

- Climate change on a global scale may affect our business and finances, such as higher raw material prices due to soaring crude oil prices and changes in consumer preferences.
- Organize countermeasures against possible risks/opportunities from short-, medium-, and long-term perspectives, and promote initiatives.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Endorsement of TCFD Recommendations
（November 2021）

Risk management

- Sustainability Promotion Committee reviews risks and opportunities related to climate change in the Group.
- The Board of Directors receives reports from the Committee and supervises the policy, action plans, etc., for addressing environmental issues.

Indicators and Targets

- Aim to reduce greenhouse gas emissions by approximately 45,800 t-CO2 for Scope 1 and 2, and 16,700 t-CO2 for Scope 3 by FY2030 (compared to FY2021).
- Aim for net-zero emissions by FY2050
- Establish short- to long-term roadmap to achieve goals.

Risks and opportunities based on climate change scenarios

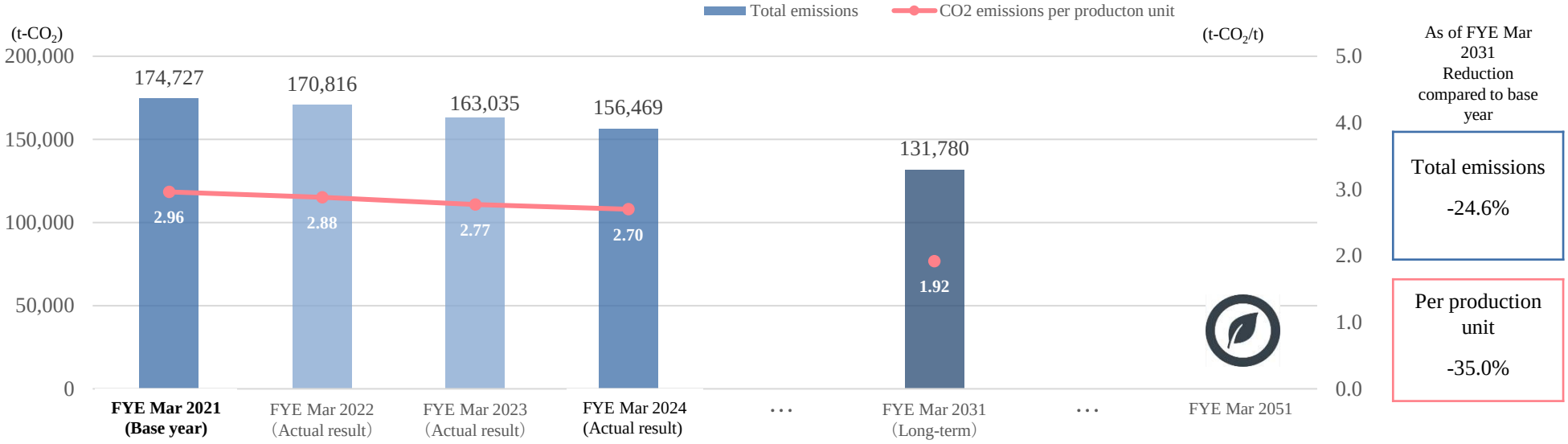
Yukiguni Maitake Group analyzed risks and opportunities associated with climate change in 2030 using 4℃ and 1.5℃ scenarios. Strive to reduce risks and continuously work to expand opportunities.

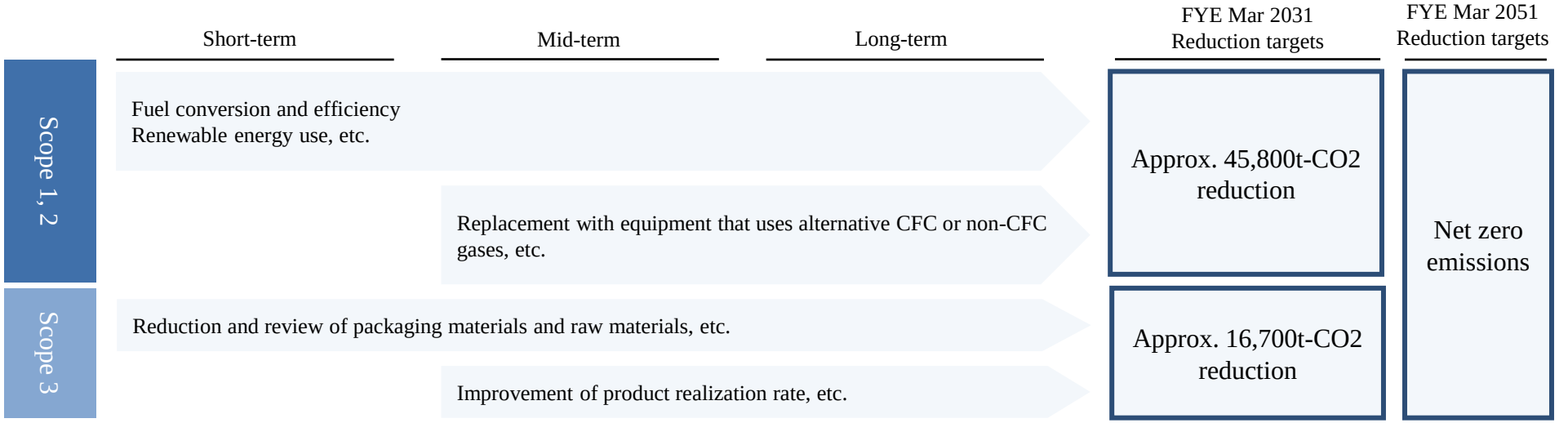
Classification		Event	Anticipated Impact on Business	Expression period	Importance	Measures
Transition risk	Policy	Introduction of carbon tax	• Increased carbon tax burden on CO2 emissions from production, logistics, and other business activities	Short Mid & Long	Large	• Reduce of production costs by streamlining production processes • Avoidance of future carbon tax burden through introduction of renewable energy, etc.
			• Increased procurement costs for plastic packaging materials	Short Mid & Long	Small	• Reduce of procurement costs by reducing the volume of plastic packaging materials
Physical risk	Acute	Intensification and frequency of extreme weather events such as typhoons, heavy rains, and heat waves	• Natural disasters and extreme weather conditions destabilize the procurement of auxiliary materials such as sawdust and bran, which are raw materials for mushroom cultivation, and their prices soar	Short Mid & Long	Small	• Reduce of sawdust consumption by increasing the reuse ratio of the culture medium • Vibrant forest development and sustainable sawdust procurement through "Yukiguni-Maitake Forest Creation Activities", etc.
	Chronic	Rising temperatures, fluidized precipitation and weather patterns	• Rising temperatures change the growth environment of mushrooms and increase air conditioning costs for temperature and humidity control	Short	Small	• Switch to high-efficiency and energy-efficient air conditioning equipment • Development of cultivation techniques and varieties less susceptible to climate change
Opportunity	Products & Services	Development and expansion of products and services that can contribute to low carbon and decarbonization	• Increasing substitution of plant-based foods for animal-based foods, creating more opportunities to create new commercial products using mushrooms	Short Mid & Long	Large	• Research and development to create alternative protein that makes use of the characteristics of mushroom as new products
		Changing consumer preferences	• Concerns about the risk of infectious diseases due to climate change have increased the need for mushrooms to help improve immunity	Short	Small	• Promotion of the habit of eating mushrooms throughout the year by appealing to consumers about the benefits of mushrooms
	Resilience	Actualization of physical risks	• Expanded marketing opportunities for mushrooms, a crop grown in facilities that is less susceptible to weather changes than open-field cultivation	Short	Small	• Stable production and supply of products even in unstable climatic environments

GHG Emissions Reduction Targets and Results

GHG emissions in FYE Mar 2024 were reduced by 10.4% from the base year of FYE Mar 2021.
Toward targets in FYE Mar 2031 which is milestone proceed actions for Net zero emissions in FYE Mar 2051.

GHG Emission Reduction Targets and Results[1]



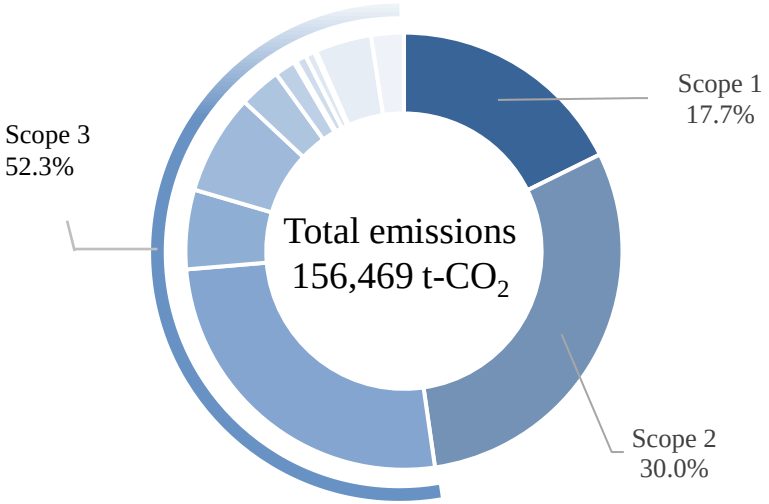


1 The scope of the project includes Yukiguni maitake and Mizuho Norin. Calculations were made using the IDEA and Ministry of the Environment databases. For those for which no database exists, scenarios were created and calculations were made.

GHG Emissions Reduction Results and Actions

GHG emissions in FYE Mar 2024 were reduced by 4.0% from the FYE Mar 2023.
New initiatives will be promoted in a planned manner.

GHG Emissions by Scope (Results for FYE March 2024) [1]



	FYE Mar 2023	FYE Mar 2024	Change YoY
Scope 1～3 Total	**163,035** t-CO_2	**156,469** t-CO_2	**-4.0%**

Scope 1 — Switching to LNG



- LNG installations completed at Gosen Bio Center (January 2021) and Bio Center 3 (October 2022)
- Promoting GHG reduction through the use of next-generation energy

Scope 2 — Production efficiency



- Reviewing and improving the sterilization method for the culture medium and existing equipment has enabled efficient production that also reduces GHGs

Scope 3 (Category 4) — Promoting a modal shift



- Modal shift to long-distance transportation using rail transport
- Compared to truck transportation, expecting an approx. 80% reduction in CO_2

1 The scope of the project includes Yukiguni maitake and Mizuho Norin. Calculations were made using the IDEA and Ministry of the Environment databases. For those for which no database exists, scenarios were created and calculations were made.

“Yukiguni Maitake Forest Creation Activities”

Ongoing activities to develop a forest park where people and forests can coexist in harmony by clearing trees and planting broadleaf trees to create a healthy forest.

History of Forest Creation Activities

2020年 Signed an agreement with the representatives of Minamiuonuma City, Minamiuonuma Forestry Association, and the Minamiuonuma Regional Promotion Bureau of Niigata Prefectural Government to develop a forest park.
Opened “Yukiguni Maitake Forest”.



2021年 Periodic clearing of underbrush and thinning of trees to make it easier for trees to grow (Conduct every year).

2022年 Created a mixed forest similar to a natural forest by planting broadleaf trees (cherry trees).
Recognized as a "Green Partner 2022" in the "Forest x Decarbonization Challenge 2022“[1] sponsored by the Forestry Agency.

2023年 Planted mountain maples and hydrangea
Continuing from last year, Recognized as a "Green Partner 2023“.

2024年 Laid wooden walkways.



20xx年 Aiming to be the forest park where people gather.

Activities for FYE March, 2025

- Laid wooden walkways
- Thinned and weeded cedar trees for maintenance
- Sowed seeds of Hollyhocks



Laid wooden walkways

Wooden walkways are being laid out.
Developing forest parks that are easy for people to visit.



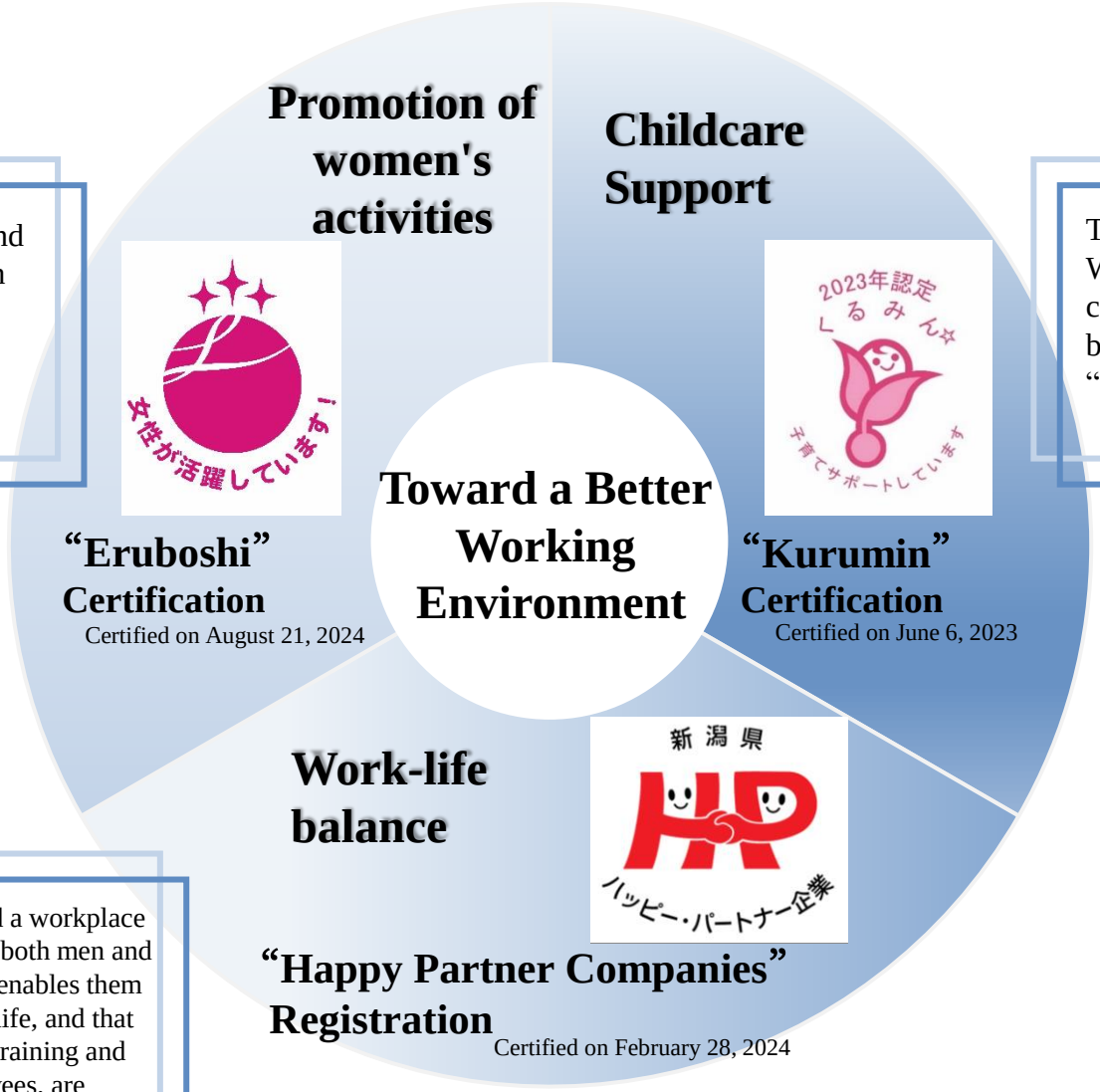
Sowed seeds of Hollyhocks

Seeds were planted along the wooden walkways.
Gorgeous flowers will bloom from spring to summer.

1 A system to recognize the efforts of companies that contribute to securing and enhancing carbon dioxide absorption by forests in order to achieve carbon neutrality by 2050.

Create a good working environment for employees

Support the child-rearing generation and work to achieve a work-life balance that allows employees to thrive.



The Minister of Health, Labor and Welfare certifies companies with excellent implementation of initiatives to promote the advancement of women.

“Eruboshi” Certification
Certified on August 21, 2024

The Minister of Health, Labor and Welfare certifies companies that commit to support a good balance between work and child rearing as “Child Rearing Support Companies”.

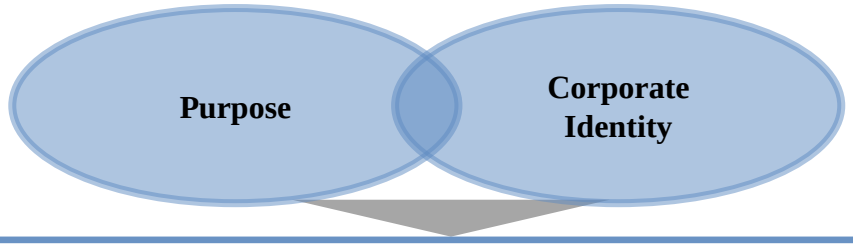
“Kurumin” Certification
Certified on June 6, 2023

Companies that have created a workplace environment that is easy for both men and women to work in, and that enables them to balance work and family life, and that are actively involved in the training and promotion of female employees, are registered by Niigata Prefecture.

“Happy Partner Companies” Registration
Certified on February 28, 2024

Selected as a constituent of the ESG investment index “FTSE Blossom Japan Sector Relative Index”

Selected for inclusion in an index that reflects the performance of Japanese companies that excel in Environmental (E), Social (S) and Governance (G) initiatives.
Working to solve social issues and achieve sustainable growth by placing importance on harmony with nature, people, and society.



FTSE Blossom Japan Sector Relative Index [1]

Sustainability Policies

As a company not only benefitting from the blessings of nature but also fostering nature, we are working hand-in-hand with our stakeholders in our pursuit of protecting natural environments and enriching people’s lives and society, in order to achieve sustainable growth and co-habitation with fruitful nature.

Contribute to the Protection of Fruitful Nature

Contribute to People’s Health

Contribute to the Development of Society

Environment

- Disclose in line with TCFD recommendations
- Procure Raw Materials and Use Water Resources
- Conserve Biodiversity
- Reduce Waste and Prevent Environmental Pollution

Social

- Promote DE&I
- Invest in Human Capital
- Promote Occupational Health and Safety
- Coexist with Local Communities

Governance

- Focus on continuing “thorough compliance with internal rules and laws and regulations” as a key theme
- Promote CSR procurement cooperation and other initiatives among business partners in order to develop responsible business activities throughout the supply chain

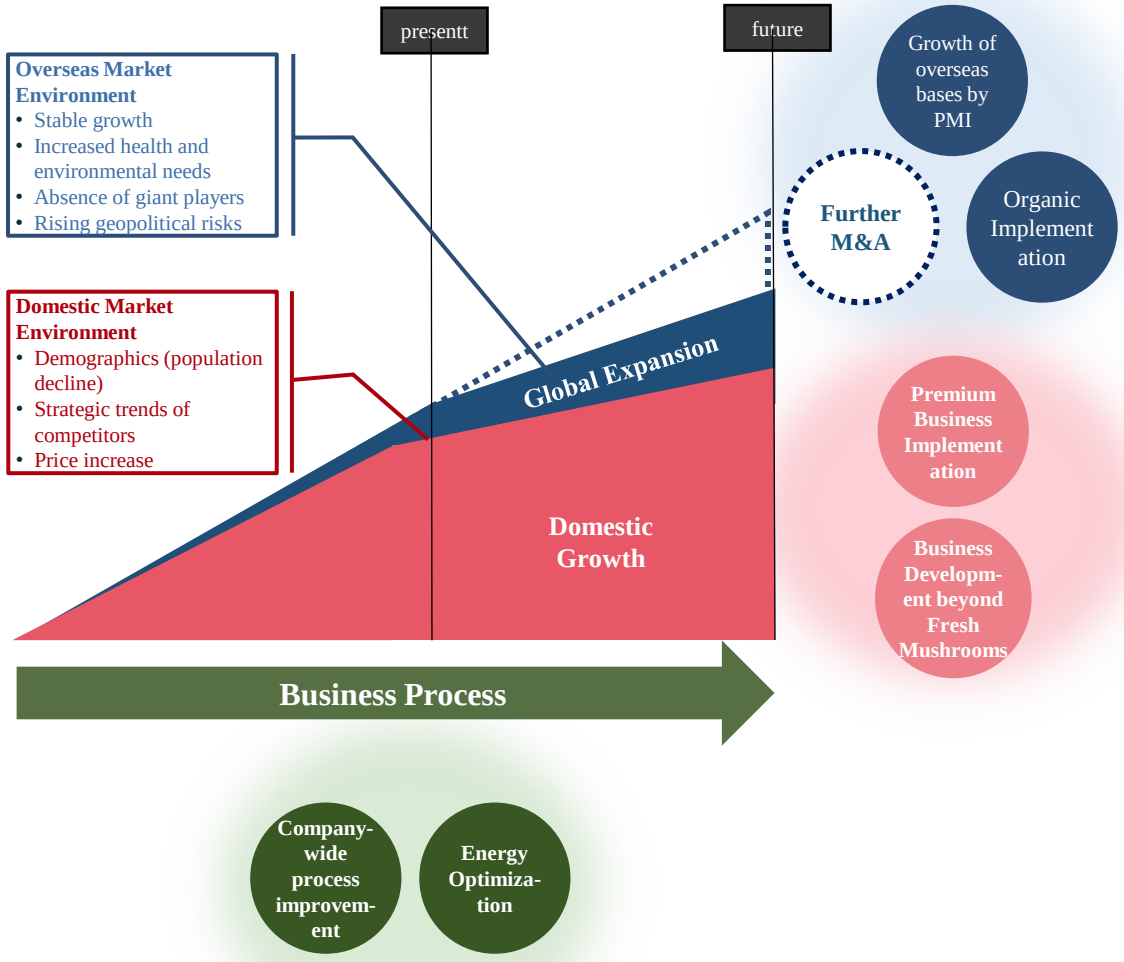
1. FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that Yukiguni Maidake Co. Ltd. has met the requirement for inclusion in the FTSE Blossom Japan Sector Relative Index as a result of a third party investigation and has become a constituent stock of this index. FTSE Blossom Japan Sector Relative Index is widely used to create and evaluate sustainable investment funds and other financial products. URL: :https://www.lseg.com/en/ftse-russell/indices/blossom-japan

5 Medium- Term Business Plan for FYE March 31, 2024 to FYE March 31, 2028

"Update of the Medium-Term Business Plan"（Excerpts from the December 19, 2023 disclosure）

Diagram of the Medium-Term Business Plan (FYE March 2024 – FYE March 2028)

Based on the current Medium-Term Business Plan, respond appropriately to changes in the business environment and continue to seek growth opportunities on a global basis



Strengthen and promote the business base in Japan and integration of new bases and further business development in global markets

A

Domestic Mushroom Market: Strengthen existing premium businesses and create new businesses

- Further strengthen our domestic business by enhancing our existing premium positioning, differentiate ourselves from other production areas, and steadily capture the quality-oriented needs of consumers.
- Strengthen sales of premium items that are not available in other production areas, and launch new businesses other than the fresh mushroom business in earnest.

B

Business Processes: Streamline all processes without sanctuary

- Improve business processes and reduce costs through company-wide BPR
- Promote labor savings and energy conservation through new investments

c

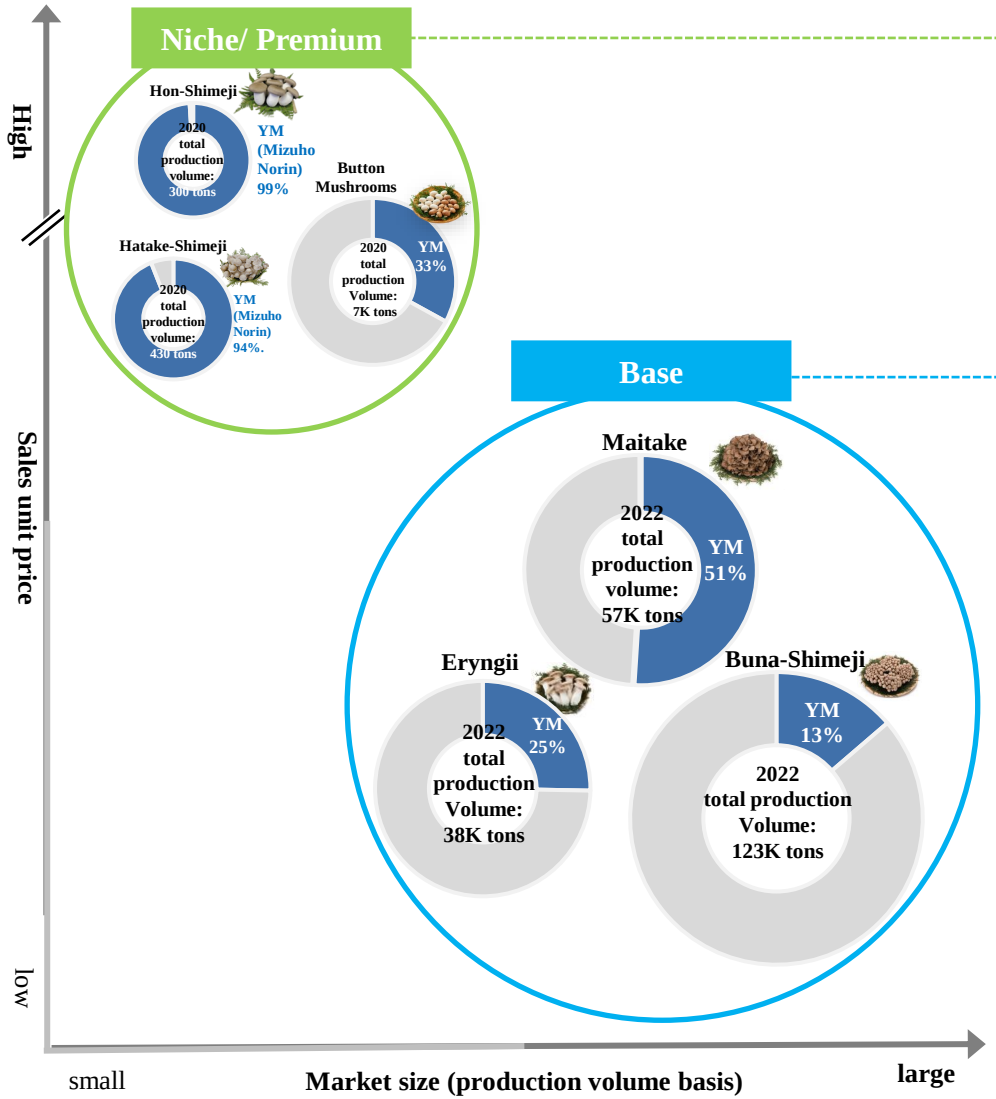
Global expansion: PMI of newly acquired overseas companies and search for other targets

- Utilize our expertise to further expand the performance of acquired overseas companies
- Pursue additional acquisition possibilities in light of progress in strengthening domestic operations and geopolitical risks
- As for the organic strategy, we will consider sales of our products in Europe and the U.S. in addition to Asia.

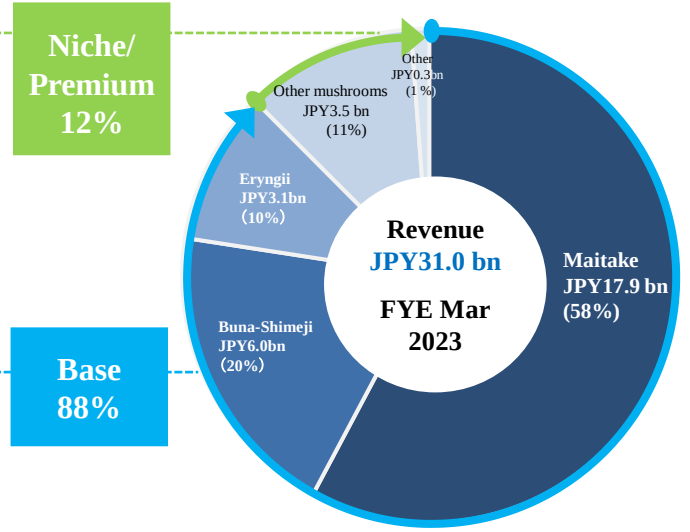
Basic Policy A. Domestic Mushroom Market (Our Premium Position)

Our business portfolio consists of 80% base business including Maitake mushrooms, and the remaining 20% is niche/ premium business with high unit sales price, which enables us to realize premium margins compared to other companies.

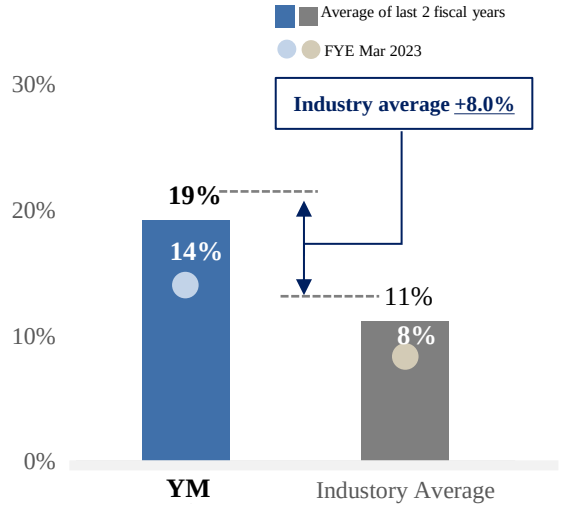
Mushroom market size (production basis) and share



Composition of revenue



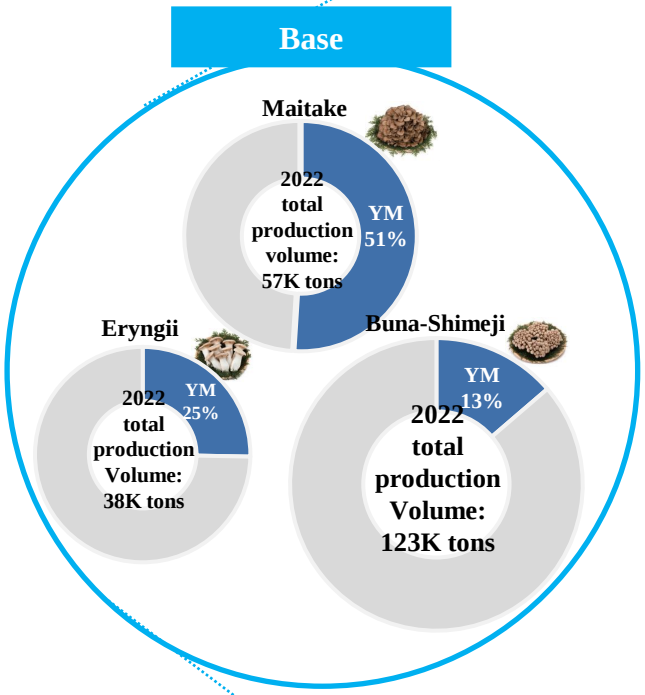
Comparison of EBITDA margins between the Company and the mushroom industry



Note: Market share of each mushroom is calculated using domestic production volume (Our company's production / Total domestic production)
Sources: Forestry Agency "Statistical Survey on Production of Minor Forest Products", Ministry of Agriculture, Forestry and Fisheries "Local Vegetable Production Survey"

Basic Policy A. Domestic Mushroom Market (Base Business Strategy)

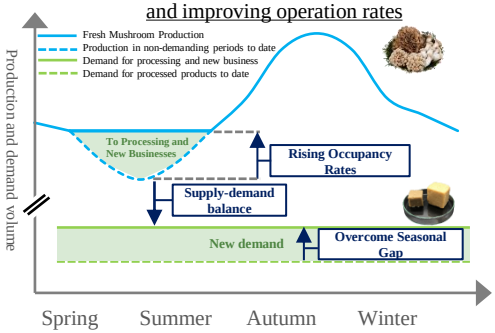
In the base business, steadily capture quality-oriented needs and aim to simultaneously achieve high profitability and increase market share



Recompose product allocation to achieve even higher profitability

- Review item mix while also expanding newly designed products with added convenience, to achieve both customer satisfaction and improved profitability
- Overcome the seasonal gap by balancing supply and demand and improving operation rates through a combination of fresh mushroom distribution and input into processing and new businesses

Image of balancing supply and demand and improving operation rates



Strengthen premium brands

- Continue to develop a high-end, three-dimensional promotion that links commercials, digital, and packaging to further refine the premium image
- Introduce using results in high-end restaurants and chefs' voices on our website

"Kiwami Specialties", which introduces high-end restaurants that use white maitake mushrooms



*Picture menu may be subject to change in the future.

Further utilization of sales channels

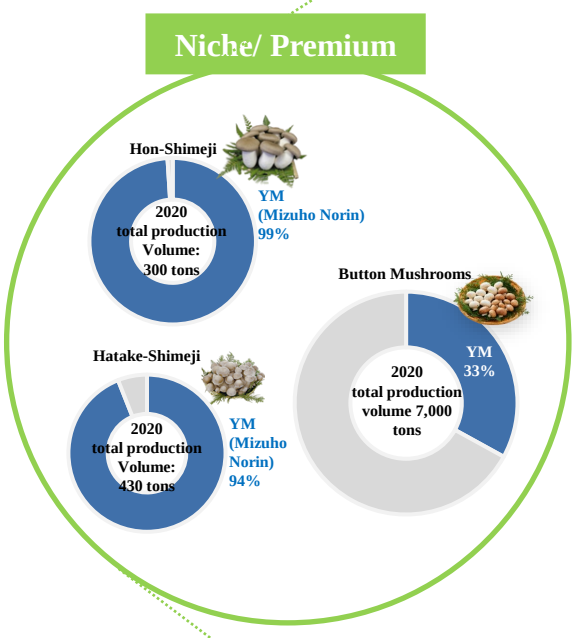
- Continue to leverage our unique, wide-ranging, and robust direct transactions, which are less susceptible to turbulent market conditions.
- Expand win-win sales channels by leveraging the above strengths to invest sales resources and promote value-proposition type sales floor presentation.

Our unique black-and-white maitake mushroom shelf configuration



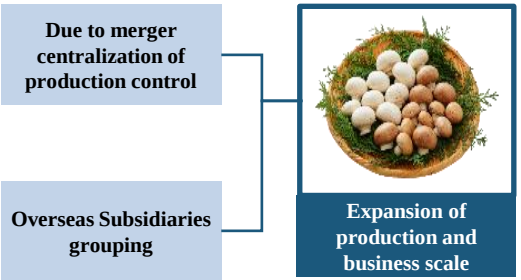
Basic Policy A. Domestic Mushroom Market (Expansion of Niche/ Premium Business)

Build a new growth driver by expanding scarce items and fully expanding new business areas.



Expansion of Button mushroom business

- Button mushrooms are an attractive market with room for growth, as they are produced in smaller quantities and have a higher unit sales price than maitake mushrooms
- Expand the scale of our business by strengthening our domestic production base and collaborating with our overseas subsidiaries



Full-scale expansion of new business areas

- Expand alternative meat products that not only reduce environmental impact, but also provide a solution to health issues and good taste
- In addition, we will launch a new proprietary product that combines mushrooms and alternative meat as raw materials
- Utilize existing sales channels with a high percentage of consumers via the sales floor, and expect to acquire and establish space, as well as achieve steady expansion

Alternative meat material (under development)

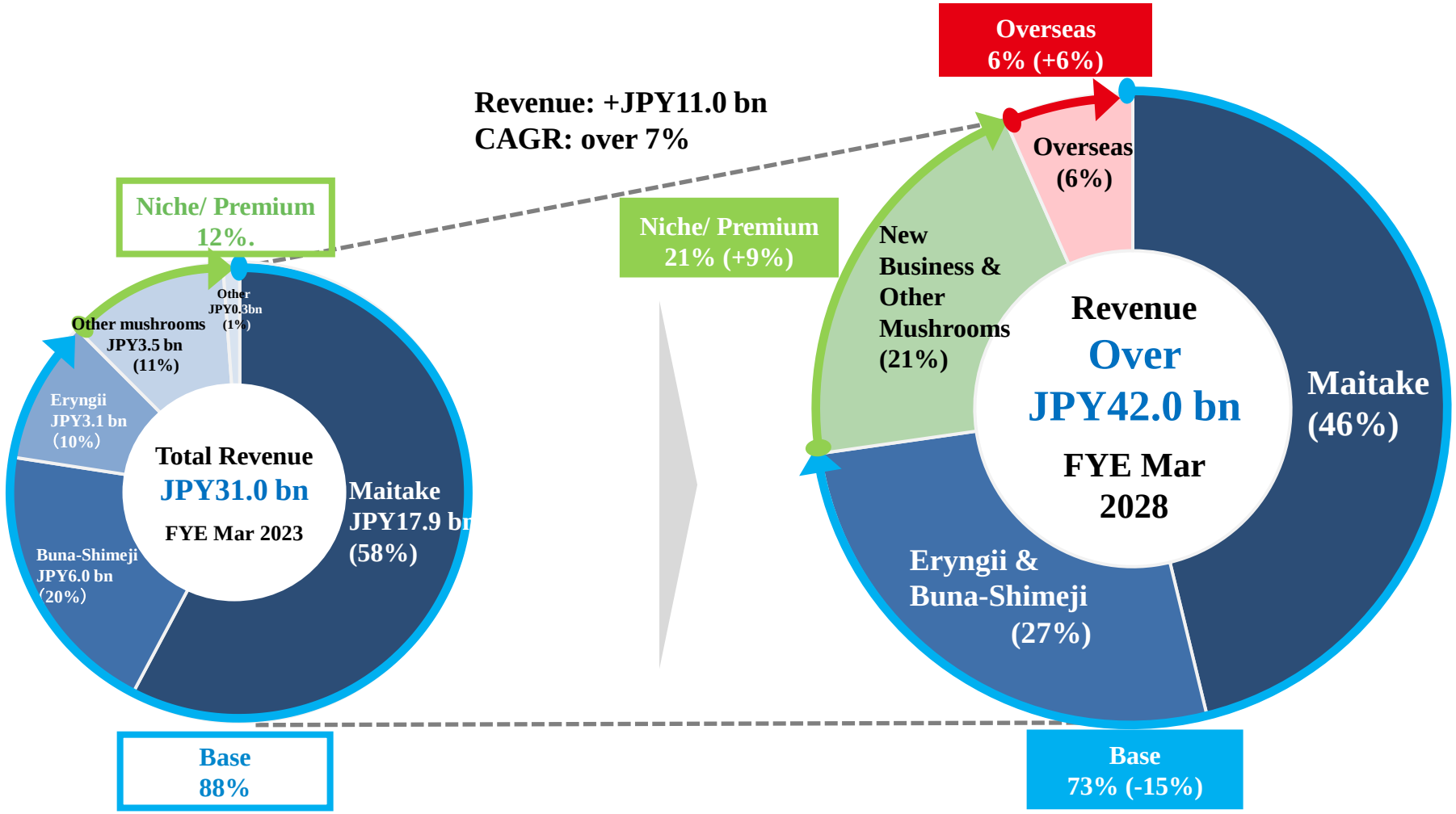


Image of distribution product composition by new business



Basic Policy A. Domestic Mushroom Market (Future Portfolio)

Aim to expand business to over JPY11 billion by expanding two segments, Niche/ Premium and overseas, while maintaining the base business as the mainstay.



Basic Policy B: Streamline All Processes without Sanctuary

Improve business processes through company-wide BPR to build a business structure in which higher revenue exceeds higher costs.

Management + Production

- Reducte raw material storage costs
- Improve costs through in-house production

Production

- Reduce more than 200 personnel through manpower saving
- Energy savings by new investments

Production + Sales

- Design necessary and sufficient items to meet consumer needs
- Shift to items with higher labor productivity

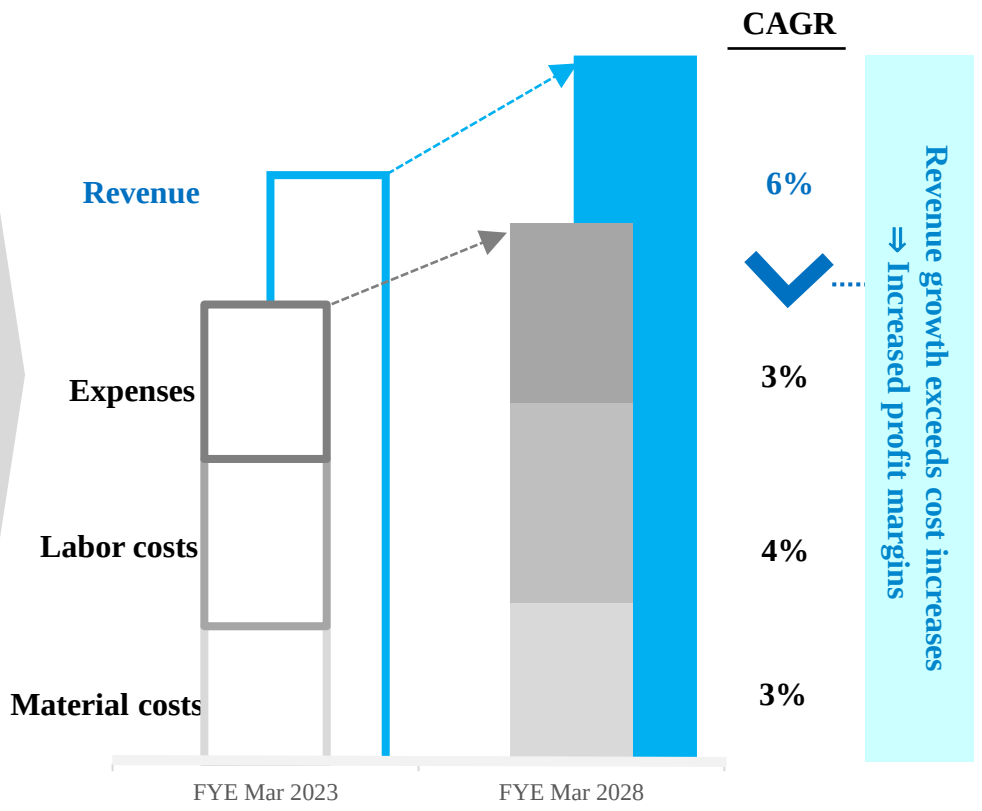
Procurement of Raw Materials → **Production** → **Sales and marketing**

Corporate-wide management

Control

- Improve operational efficiency through DX

Changes in Revenues and Cost of Sales*



* Excluding inorganic

Basic Policy C: Global Expansion (Further Target Exploration)

While promoting global market development in Europe, the U.S., and ASEAN countries, mutually share management resources with comparative advantages among regions to strengthen the competitiveness of the entire group

Japan ➡ Europe, U.S., ASEAN
- Our Premium Mushrooms
- Our proprietary model (production and sales)
- Know-how and technology for stable production of mushrooms with high degree of difficulty

Europe and the U.S. regions ➡ Japan
- Competitive western mushrooms (Button mushrooms etc.)
- Raw materials
- Others (know-how and technology)



Basic Policy: Organic Strategy

North America



Europe



ASEAN



■ Basic strategies

- In addition to ASEAN, broad consideration of **Europe and the U.S. as targets**
- Accelerating the speed of sales channel development with a **unique channel model** cultivated in Japan while also considering alliances
- In addition to our own channels, we also consider the use of **other companies' channels overseas**

Basic Policy: Inorganic Strategy

Europe



North America



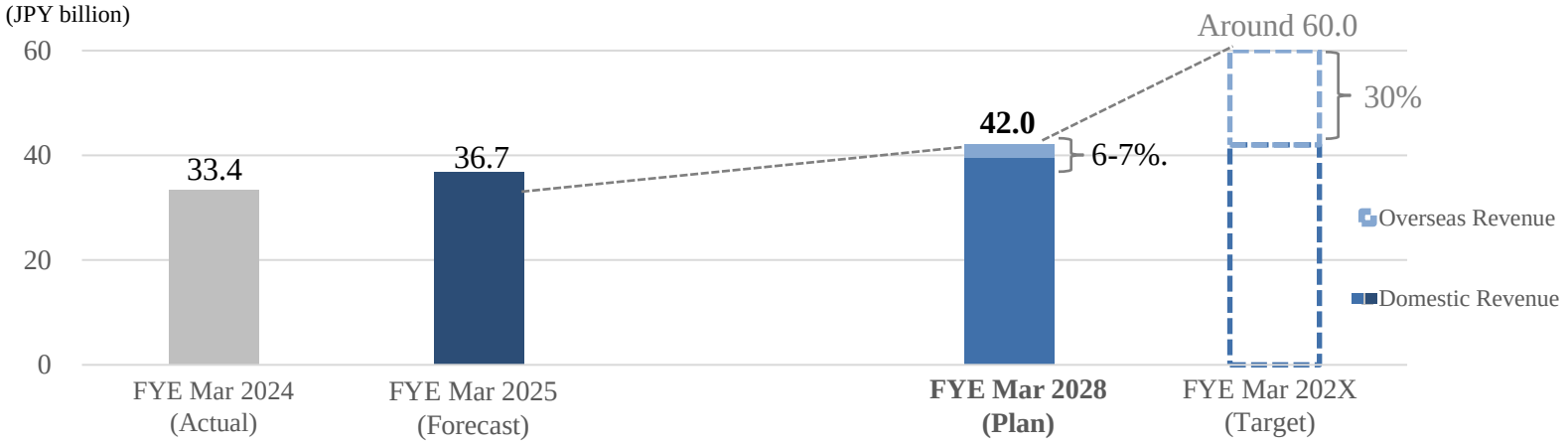
■ Basic strategies

- **Integrate** acquired Dutch companies to promote **further business expansion**
- **Share superior technologies and products across borders** to improve the competitiveness of the entire group
- Explore **additional acquisition possibilities** as strategies develop

Quantitative Targets of the Medium-Term Business Plan

While rebuilding the business base in Japan and pursuing steady growth through the integration of new overseas bases as the basic strategy, we will also pursue the possibility of further overseas business expansion if the conditions are met.

	FYE Mar 2024 (Actual)	FYE Mar 2025 (Forecast)	FYE Mar 2028 (Plan)	Upside
1. Revenue	JPY33.4 bn	JPY36.7 bn	Over JPY42.0 bn	Around JPY60.0 bn
2. Overseas Revenue Ratio[1]	-	-	Around 6-7%	Around 30%
3. Core EBITDA margin[2]	14.4%	14.1%	Around 18%	Around 18%
4. ROIC	6.4%	-	Around 10%	



Core EBITDA Margin	**14.4%**	**14.1%**	**Around 18%**	**Around 18%**

1 Overseas Revenue Ratio = Overseas sales revenue / Revenue
2 Core EBITDA margin = Core EBITDA / Revenue
Core EBITDA: IFRS operating profit excluding the effect of applying IAS 41 “Agriculture”, other income and expenses, and one-time income and expenses, plus depreciation and amortization

6 Financial Policies and Shareholder Returns

Financial Policies for Future

With acquired cash flows through operating activities, plan to keep balance among investment for growth, strengthening financial structure, and shareholder return policy.

Enhancing Investment for Growth

- Continuously strengthen production and supply capacities
- In the medium-to long-term, consider expanding overseas business and constructing new plants
- Further strengthening the business portfolio through M&A is also under consideration

雪国まいたけ
Yukiguni Maitake Co., Ltd.

The Company's Financial Policy

Strengthening Financial Structure

- Continue to strengthen the balance sheet by reducing interest-bearing debt
- Improve financial indicators such as Net Debt to Equity Ratio and Net Debt to EBITDA Ratio

Shareholder Return Policy

- Implement a flexible profit return policy in line with free cash flow each year
- Continue stable dividends with a target of around 30% payout ratio
- Implement an annual shareholder benefit program

Dividend policy

Considering the recent business performance and cash flow status, the Company aims to improve corporate value by balancing sustainable shareholder return and investments necessary for medium-term growth.

FYE Mar 2024	Dividend per share (DPS)	Annual DPS	JPY 11.00
		Interim DPS	JPY 1.00
		Year-End DPS	JPY 10.00
	Dividends Payout Ratio		**32.3%**
FYE Mar 2025 (Forecast)	Dividend per share (DPS)	Annual DPS	JPY 12.00
		Interim DPS	JPY 3.00
		Year-End DPS	JPY 9.00
	Dividends Payout Ratio		**30.9%**

Our Cash Allocation Policy

『Achieve a balance between increasing corporate value through growth investments and sustainable shareholder returns』

- **Execute strategies and necessary investments to increase corporate value**
  - ✓ Necessary investments to further improve efficiency of existing businesses
  - ✓ Investments to realize non-existing areas (overseas inorganic, new businesses)
- **Sustainable shareholder returns**
  - ✓ Consider cash flow after required investments, contractual repayments for borrowings and net income
  - ✓ Dividend levels for each fiscal year are set based on the dividends payout ratio (30% or more) at the time the current medium-term business plan was formulated
  - ✓ Aim further profit return to shareholders by increasing corporate value in the medium term

Shareholder Benefit Program

Expanded shareholder benefits starting from the fiscal year ended March 31, 2023, and will continue to return profit to shareholders in the same manner in the current fiscal year.

Shareholder Benefit Program

Eligible Shareholders

The shareholder benefit program is available to shareholders whose names are recorded in the shareholders' register on the record date (March 31 of each year) and who have held one unit (100 shares) or more of the Company's shares for six months or longer. (Shareholders are deemed to "have continuously held the Company's shares for 6 months or longer" if they are kept registered in the Company's shareholder registry with the same shareholder identification numbers consecutively as of the applicable record date of March 31, and September 30 of the previous year.)

Benefit Details[1]

Depending on the number of shares held, the following sets of the Company's products[1] will be presented.

		
Equivalent to JPY 3,000	Equivalent to JPY 5,000	Equivalent to JPY 7,000
More than 100 shares to less than 300 shares	More than 300 shares to less than 1,000 shares	More than 1,000 shares

1 The products in the photos are draft at this time, and the composition of the products equivalent to each tier amount will be posted on our website etc., going forward.

Delivery Schedule and Method

Products are scheduled to be delivered from June to July every year to eligible shareholders as of the end of previous March.

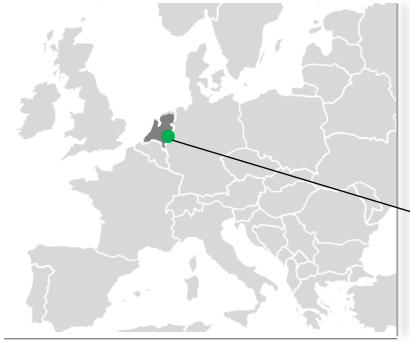
7 Reference Materials

Overview of Yukiguni Maitake Group

Produce and package mushrooms, mainly in Niigata Prefecture, for shipment nationwide.
In addition, we have established a unique direct sales route to retailers and a sales network covering the entire country through eight sales offices.

Outline of Yukikguni Maitake Group

Representative	Masafumi Yuzawa
Established	July 1983
Head Office Location	【Niigata Head Office】Minamiuonuma City, Niigata 【Tokyo Head Office】Chuo-ku, Tokyo
Number of Employees [1]	Full-time: 1,054, Part-time: 1,472 (as of March 31, 2024)
Office	Production plants：8 Laboratory：1 Sales office：8
Business Description	Production and sale of mushrooms, including maitake, and production and sale of processed mushroom foods
Subsidiary company	Mizuho Norin Co., Ltd. Yukiguni Maitake Netherlands Holdings B.V.




Niigata
Head Office

Subsidiary company

《Kyoto》

Mizuho Norin Co., Ltd.

（Production and sale of
Hon-Shimeji and Hatake-Shimeji）





《Netherlands》

Yukiguni Maitake
Netherlands Holdings B.V.

（Production and sale of
button mushrooms and exotic mushrooms）



1 The number of employees consists of the number of full-time employees (excluding those seconded from the Company to outside, including those seconded from outside to the Company) and the average number of temporary employees over the previous one year (part-timers, temporary staff from human resources companies, and seasonal workers)

Corporate History

1983 July
- Established Yukiguni Maitake Co., Ltd. and launched the production and sales of maitake



1994 March
- Listed on the Niigata Stock Exchange

2000 March
- Listed on the Second Section of the Tokyo Stock Exchange as the Niigata Stock Exchange merged into the Tokyo Stock Exchange

2015 June
- Delisted from the Second Section of the Tokyo Stock Exchange
- Became a wholly owned subsidiary of Bain Capital[1]

2017 September
- Shinmei Co., Ltd., the largest Japanese rice wholesaler, acquired a 49% stake (Bain Capital: 51%; Shinmei: 49%)



2018 September
- Packaging factory of maitake was completed in Shiga Package Center and commenced packaging of maitake



2019 March
- Acquired Mizuho Norin Co., Ltd., a company producing and selling Hon-Shimeji and Hatake-Shimeji in Japan, and Kinoko Center Kin Co., Ltd., a company producing and selling Buna-Shimeji in Japan



2019 October
- Acquired Mitsukura Norin Limited[2], a company producing and selling button mushrooms in Japan



2020 September
- Listed on the First Section of the Tokyo tock Exchange

2022 April
- Sifts to the Prime Market due to the reorganization of Tokyo Stock Exchange market

2023 April
- Mitsukura Norin Co., Ltd. was marged into Yukiguni Maitake Co., Ltd.[3]

2023 December
- Acquired shares of Netherlands-based mushroom business companies and made them subsidiaries.

1 "Bain Capital" mentioned above is the generic term of the fund which Bain Capital Private Equity, LP provides investment advice
2 Changed the trade name from Mitsukura Norin Limited to Mitsukura Norin Co., Ltd. on March 2, 2020
3 Merged with Okayama Bio Center effective April 1, 2023 and changed its name to Okayama Bio Center.

Our Strengths in the Value Chain (Maitake)

Achieve a stable production and supply system for premium mushrooms through repeated improvements in the production process, and establish a high barrier to entry and a stable revenue base.
Develop complex and multifaceted marketing customized for each target customer segment by region.

R&D

High R&D capabilities cultivated over many years to support the entire value chain

- **Proprietary spawn and cultivation techniques** that support stable production on a large scale
- **High basic research capability** to support new product development
- **Accumulation of academic evidence** to support marketing

Production

Large-scale, stable production know-how for premium mushrooms

- **Large-scale** and **stable** production process in bag cultivation
- Proprietary spawn makes it **difficult for other companies to imitate** (Certain effect as a barrier to entry)
- Further improvements in productivity are ongoing

Producing "large" maitake plants that are close to natural ones

- Natural mushrooms are **rare (**They dance for joy when they find it.)
- **The "approximately 900g" size**, which is close to the natural size, cannot be produced stably and on a large scale by other companies
- **Taste and quality** are also close to natural ones



Product

High-quality premium mushroom lineup

- Maitake "Kiwami" : A top brand for its *umami* and texture.
- White Maitake "Kiwami White" : Only we can produce
- Other Premium Mushroom (Button-Mushroom, Hon-shimeji**)**



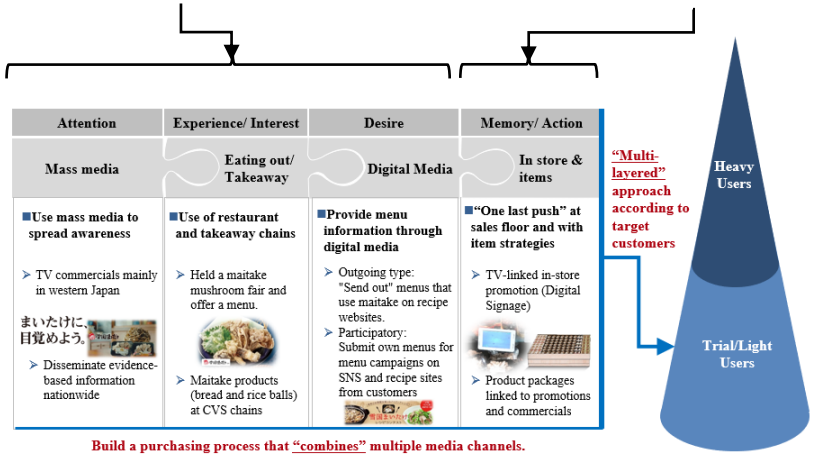
Flexible size adjustment in response to demand fluctuations

- **Small, medium, or large size adjustment** is possible by our unique large roots
- Sizing according to the retail characteristics and intentions of direct customers (Customer base: age group, household composition, region, etc.)
- Increase the number of small sizes and packs when demand increases (publicity and seasonal factors)

Marketing

Detailed, three-dimensional marketing for different customer segments

- Devise media and messages to meet the needs of d**ifferent regions and customer segments**. Provide eating opportunities by utilizing food service and its routes
- Aggressive collaboration and promotion with **other major manufacturers with strong brands (seasonings, etc.)**



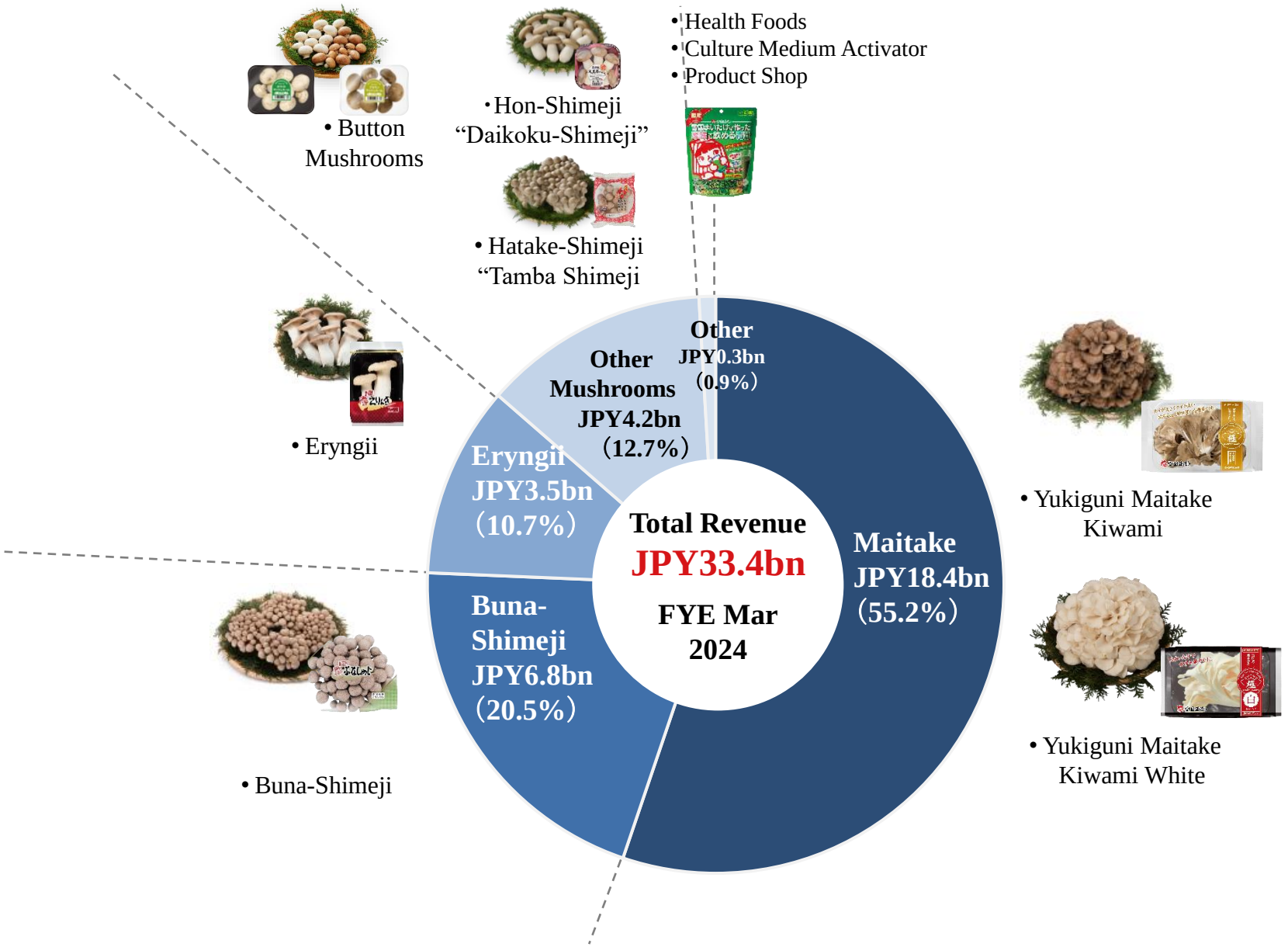
Distribution, Sales

"Direct sales" network to retail chains

- Confirm **our own extensive and robust** sales network and annual sales volume in advance, and **stabilize sales volume and price** (80% of total sales of maitake)
- Ensure sales floor space through **product sizing and effective promotions** that meet the retail needs of direct customers
- "Last one mile" in-store promotions are possible

Main Products and Composition Ratio of Each Product to Sales Revenue

The world's first successful mass producer of maitake, and the top share producer of “premium mushrooms” that achieved factory based mass production of mushrooms.
In addition to mushrooms such as Maitake, develop health foods, processed foods, etc. that utilize our mushroom portfolio.



Product Portfolio

A pioneer in artificial cultivation and mass production of maitake, and a leading company engaged in factory based mass production of mushrooms. Sales of "Yukiguni Maitake Kiwami White" started in September 2022.

Maitake “Kiwami”



Eryngii



Buna-Shimeji



Button Mushrooms[1]



Hon-Shimeji [1] “Daikoku Hon-Shimeji”



Hatake-Shimeji [1] “Tamba Shimeji”



Processed Foods [2]



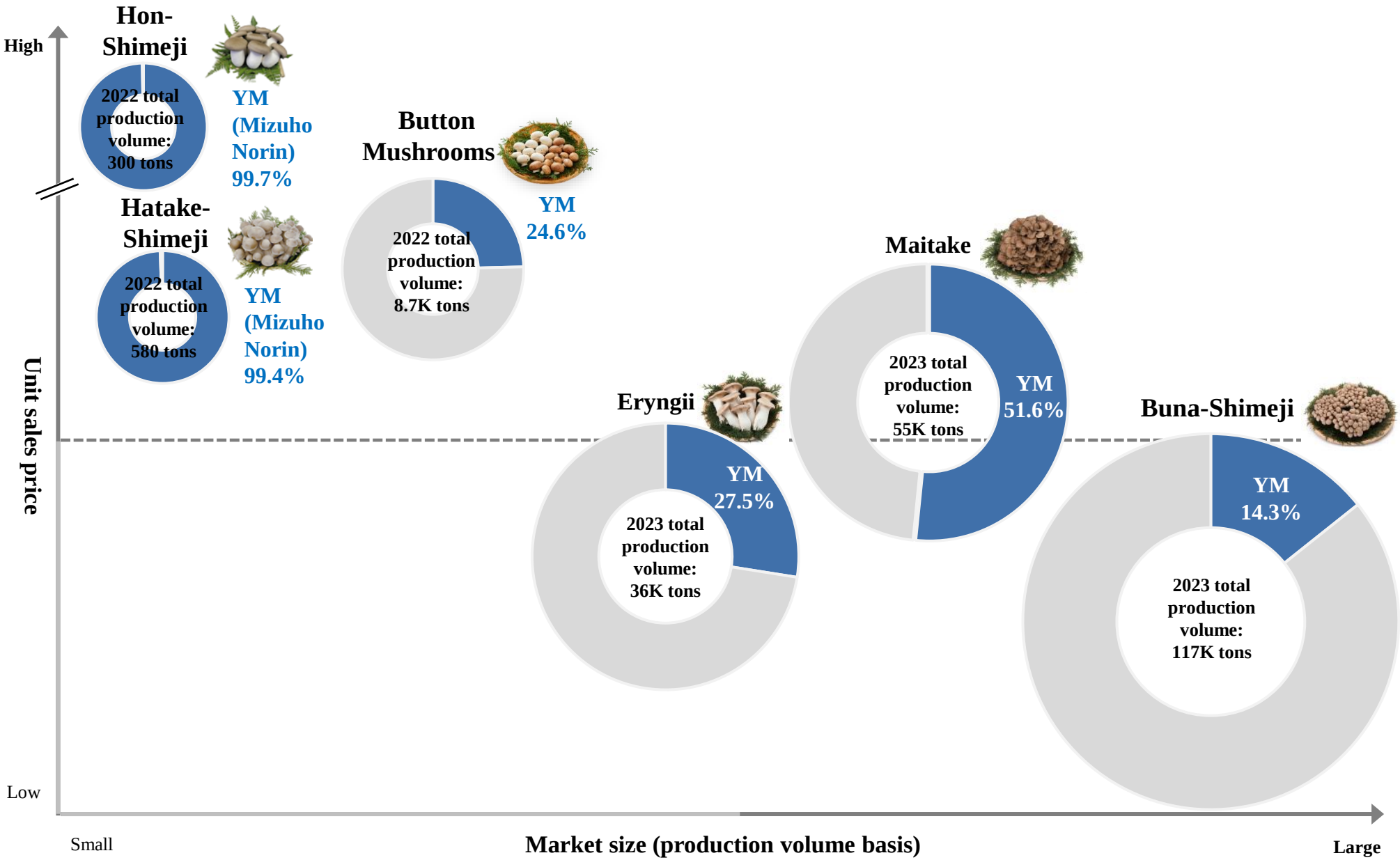
Health Foods [3]



1 Classified as “other mushrooms” business segment
2 Each processed food is classified into its original mushroom business segment
3 Health foods, etc. are classified into “other” business segment

Market sizes and Mushroom Production Share of Yukiguni Maitake Group (YM)

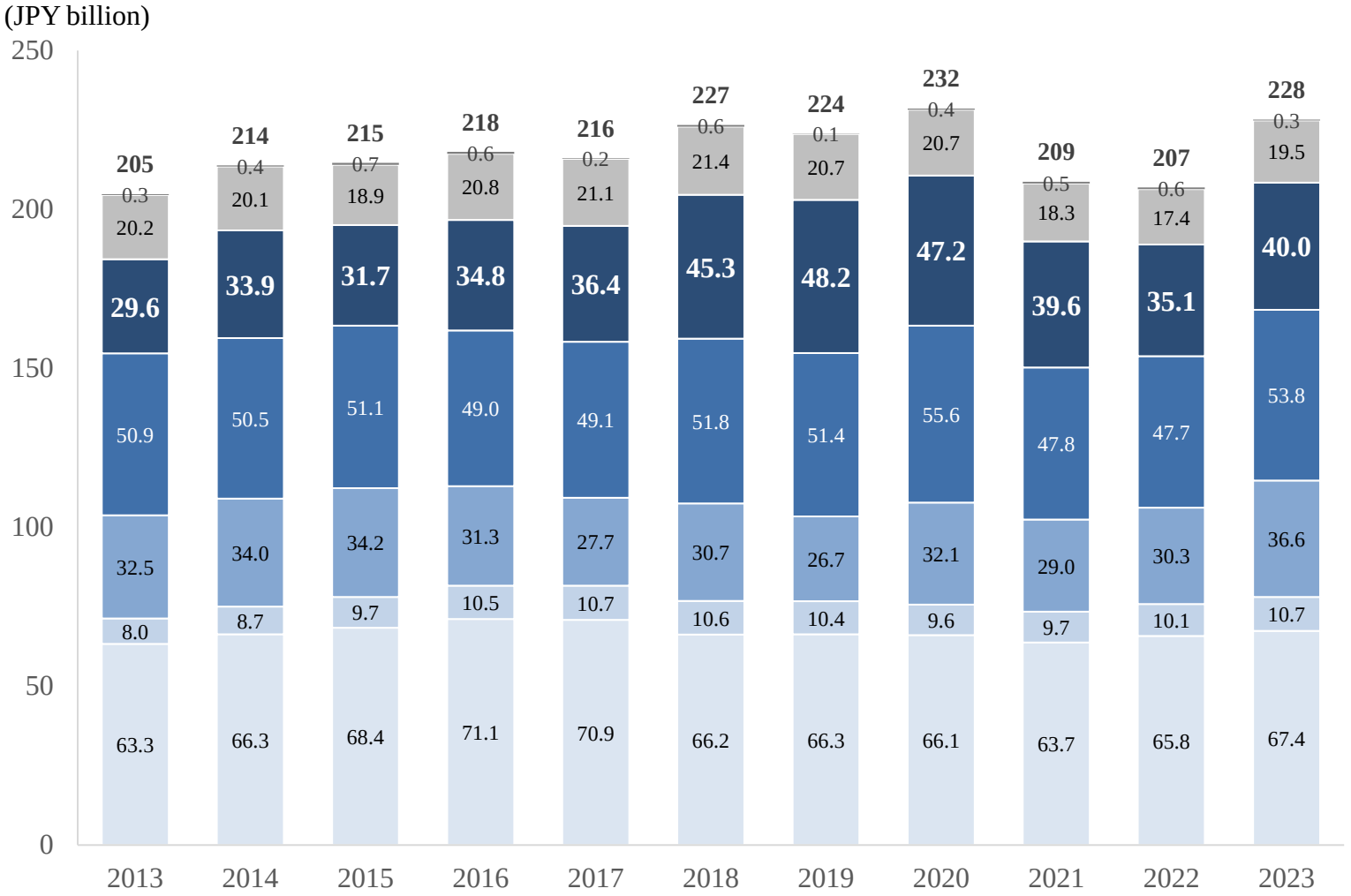
High market share in the premium mushroom market, including maitake mushrooms and button mushrooms



Note: Market share of each mushroom is calculated using domestic production volume (Our company's production / Total domestic production)
Sources: Forestry Agency "Statistical Survey on Production of Minor Forest Products", Ministry of Agriculture, Forestry and Fisheries "Local Vegetable Production Survey"

Breakdown of Major Mushroom Markets

Market unit sales price of each mushroom is increasing, and the overall market size of mushrooms is recovering.



2013 vs. 2023

Total	**＋11.4%**
Matsutake	(5.8%)
Eryngii	(3.3%)
Maitake	**＋35.1%**
Buna-Shimeji	+5.6%
Enokitake	+12.6%
Nameko	+33.9%
Row Shiitake	+6.4%

Note 1: The mushroom market is the total market size of raw Shiitake, Nameko, Enokitake, Buna-Shimeji, Maitake, Eryngii, and Matsutake
Note 2: Market size is calculated as “annual average wholesale unit sales price at Tokyo Central Wholesale Market (Jan.-Dec.) x domestic production volume”
Note 3: Average unit sales price of Buna-Shimeji is calculated using average unit sales price of Shimeji
Sources: Statistics Data by Ministry of Agriculture, Forestry and Fisheries, and by Tokyo Central Wholesale Market

Features of Our Maitake

Apply package cultivation to be able to grow maitake as large as those grown naturally, and still have rich texture, which is successfully achieved in factory based production by large-scale cultivation.

Cultivation System

- **Apply package cultivation**



- **Approximately 900 grams** per root

Product Features

- High-quality maitake with well-balanced umami and flavor
- Our maitake has a large "**stem**" which has rich and meaty texture



- Offer products with large roots in various volumes to meet customer demands



"Small pack"
Small Volume

"Gourmet pack"
Medium Volume

"LL Pack"
Extra large volume

50g 80g 100g 120g 150g 200g 300g

※approximate weight

Production / Packaging Process

World's first manufacturer to achieve factory based production of maitake which is difficult to cultivate, and establish a stable production and supply system for maitake.
Actively pursue AgriTech to improve productivity and reduce manual labor.

Stable production capacity / harvest / quality

Creating Culture Media	Inoculation	Cultivation and Growing	Harvesting / Packaging










- Differentiate recipes for blending culture media that use no agricultural chemicals
- Sterilize the culture media under high temperature and high pressure

- Inoculate the culture media with fungi originally developed in-house
- Automation of inoculation process
- Clean rooms for avoiding germs

- Environmental management based on data science at extensive cultivation rooms
- Mass production realized by control of lightning, temperature, and humidity

- Almost all automation realized in Eryngii and Buna-Shimeji production



Health Functionalities of Maitake

Focusing our efforts on the research to reveal the nutrients of Maitake that are expected to have high health functionalities. It also has a variety of functions, and its proteolytic enzyme and umami make food taste even better.

Functionality of Maitake

A type of polysaccharides “glucans”

Beta-Glucans

Beta-glucan, one of the major polysaccharides contained in maitake , is being studied and expected for maintaining and improving immunity. [1-3]

1 He et al. 2017 Int. J. Biol. Macromol. 101: 910-921.

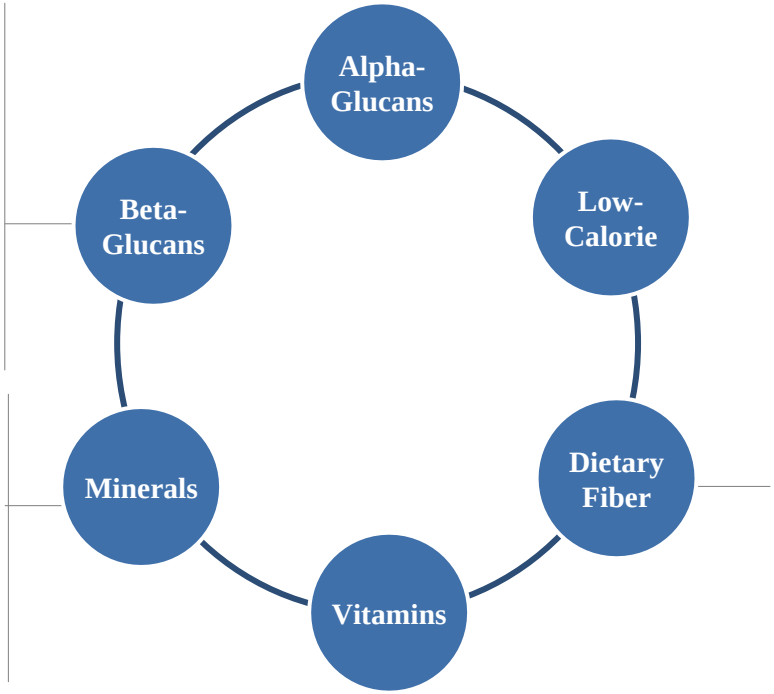
2 Wesa et al. 2015 Cancer Immunol Immunother 64: 237-247.

3 Masuda et al. 2013 Int. J. Cancer 133: 108-120.

Essential nutrients for the body

Minerals

Minerals are essential nutrients for the body, but they cannot be produced by the body. Therefore, it should be taken from food. Maitake contains potassium, which works to get excess salt out of the body, and magnesium, which regulates the body.



Expected to have various effects

Maitake Dietary Fiber

Dietary fiber is expected to have the effect of suppressing the rise in postprandial blood glucose level. In addition, Maitake has been confirmed to have a “second meal effect” that moderates the rise in blood sugar level after the first meal is eaten[2].

In addition, dietary fiber is said to have the function of adsorbing lipids and sugars and discharging them to the outside of the body. Dietary fiber contained in maitake increases the amount of stool and shortens the transit time of the digestive tract.

2 The Effects of Maitake on the Elevation of Blood Sugar Levels and the Second Meal Effects of Maitake (2010, 64th Annual Meeting of Japanese Society of Nutrition and Food Science)

Other Functionality

Tenderize meat with a little effort before cooking

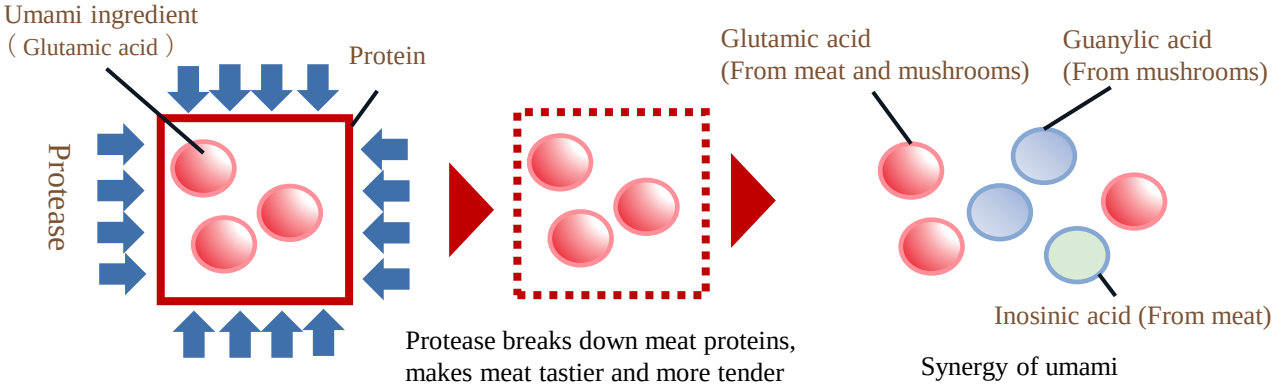
Proteolytic enzymes (proteases)

Proteolytic enzymes (proteases) break down proteins and tenderize meat. The amount of “Glutamic acid”, which is umami ingredients, also increases.

Synergistic effects of umami

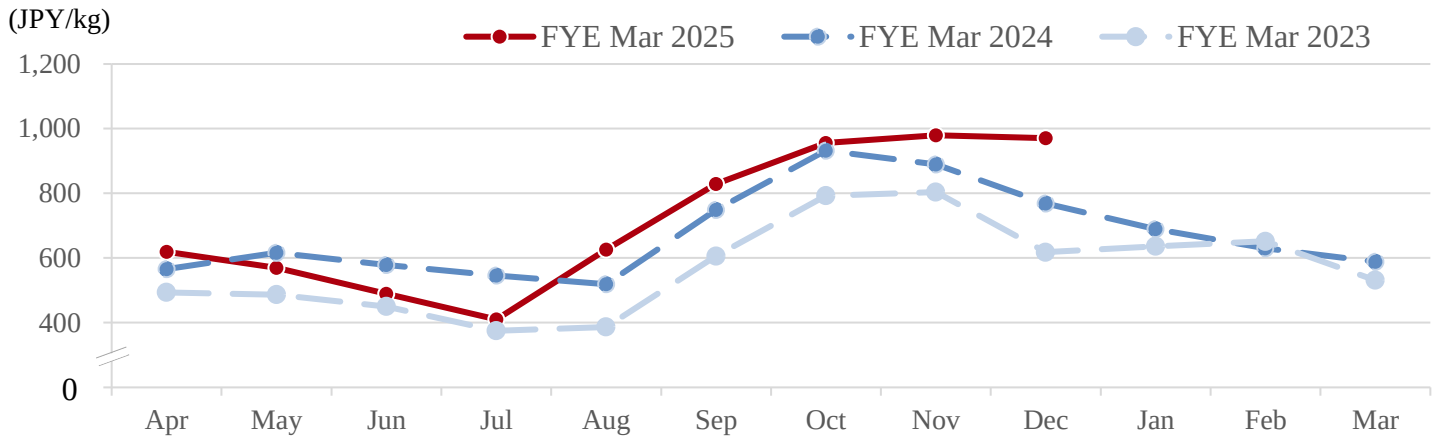
Guanylic acid and glutamic acid

Guanylic acid and glutamic acid are the main umami ingredients of mushroom, and they combine with inosinic acid in meat to produce a synergistic effect of umami. Adding this to regular dishes will further enhance the deliciousness of food.



Changes in Market Transaction Unit Sales Price

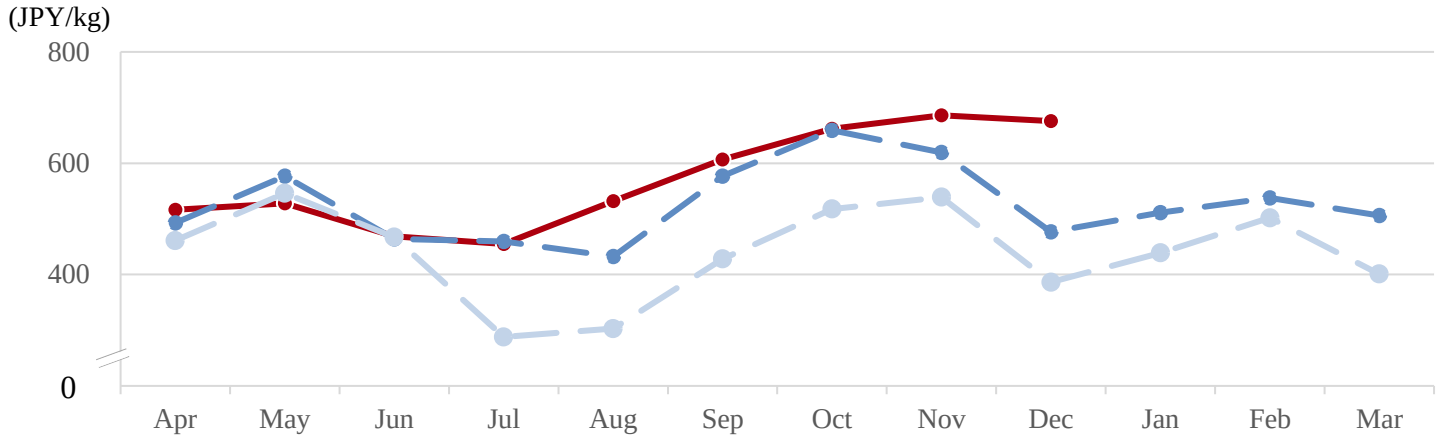
Maitake



Weighted Average Unit Sales Price

(JPY)	3Q	Year-round
FYE Mar 2025	729	-
FYE Mar 2024	696	679
FYE Mar 2023	574	582

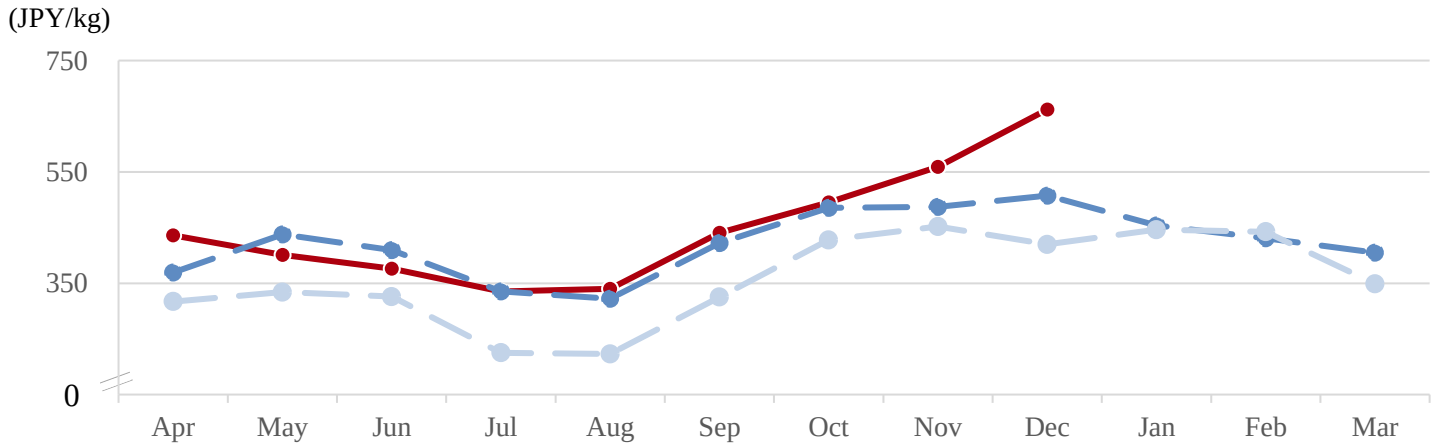
Eryngii



Weighted Average Unit Sales Price

(JPY)	3Q	Year-round
FYE Mar 2025	572	-
FYE Mar 2024	527	525
FYE Mar 2023	431	434

Buna-Shimeji



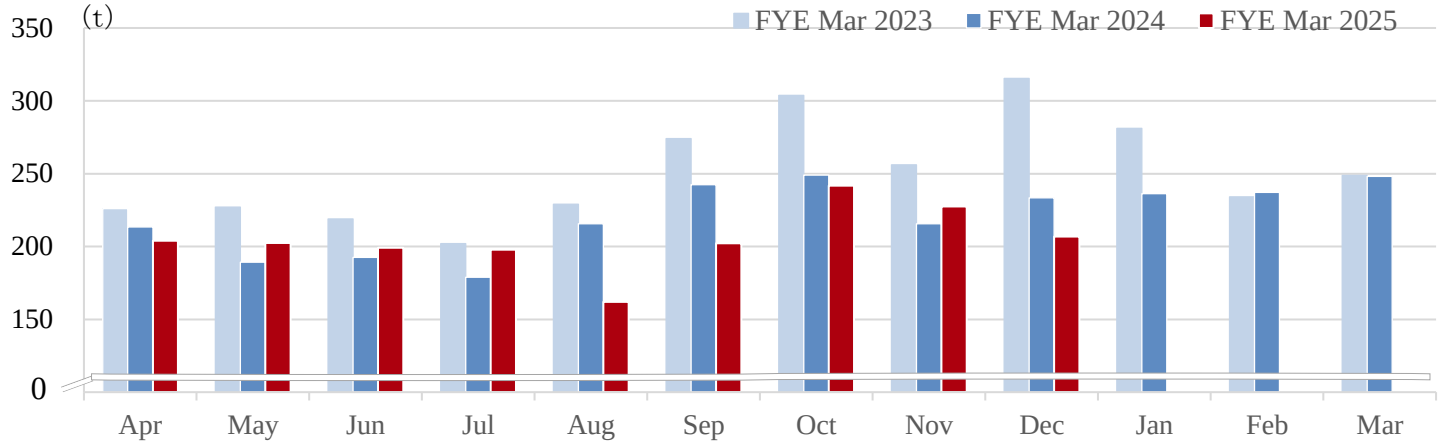
Weighted Average Unit Sales Price

(JPY)	3Q	Year-round
FYE Mar 2025	455	-
FYE Mar 2024	427	427
FYE Mar 2023	347	363

Sources: The Company created the chart based on the Market Statistics Data from Metropolitan Central Wholesale Market

Changes in Market Sales Volume

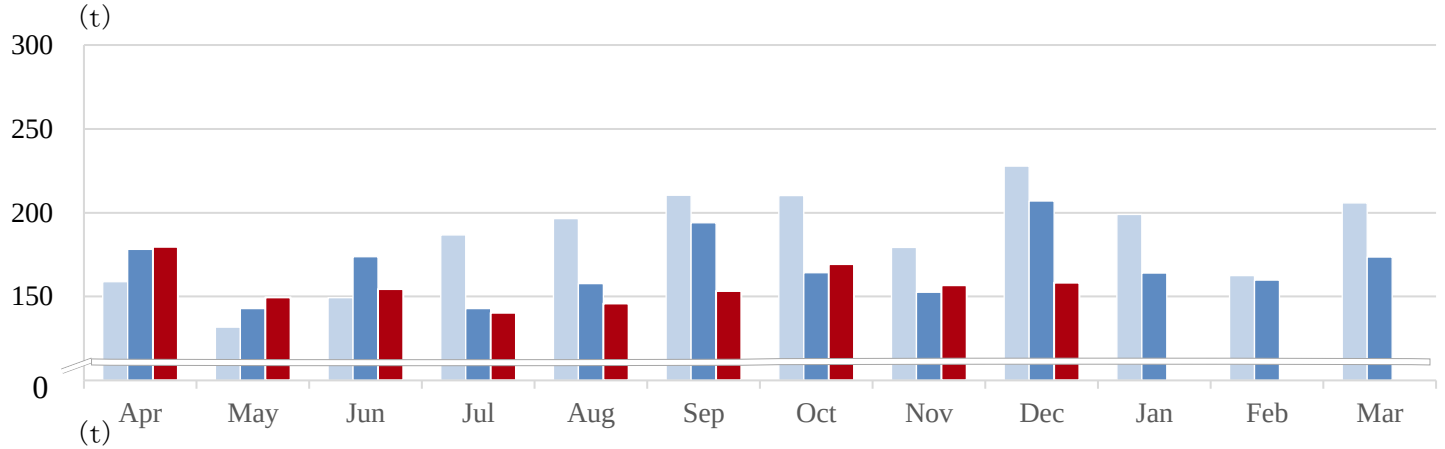
Maitake



Sales Volume

(t)	3Q	Year-round
FYE Mar 2025	1,843	-
FYE Mar 2024	1,930	2,652
FYE Mar 2023	2,252	3,016

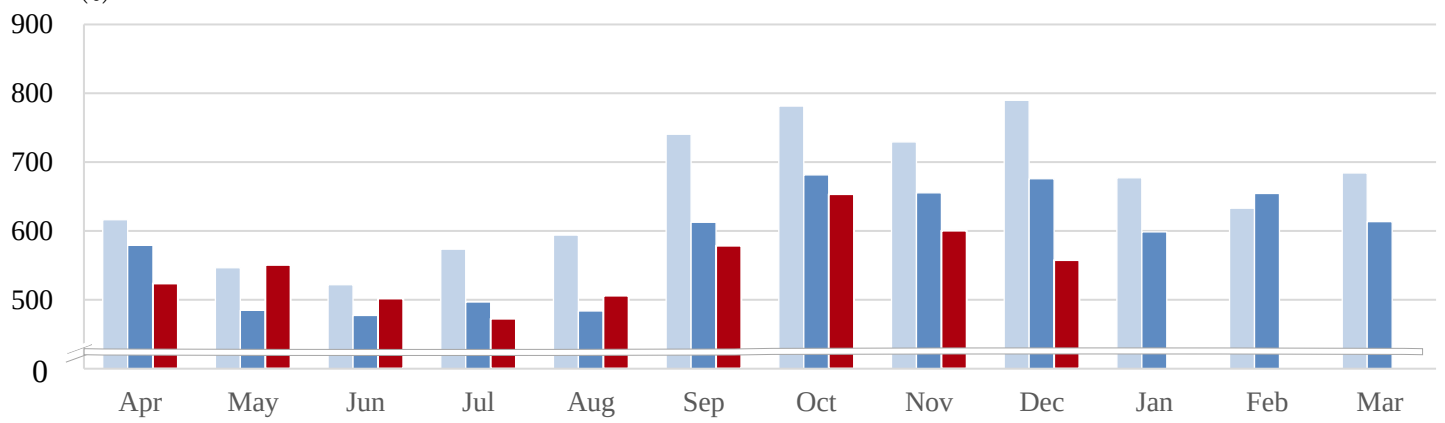
Eryngii



Sales Volume

(t)	3Q	Year-round
FYE Mar 2025	1,407	-
FYE Mar 2024	1,513	2,011
FYE Mar 2023	1,650	2,217

Buna-Shimeji



Sales Volume

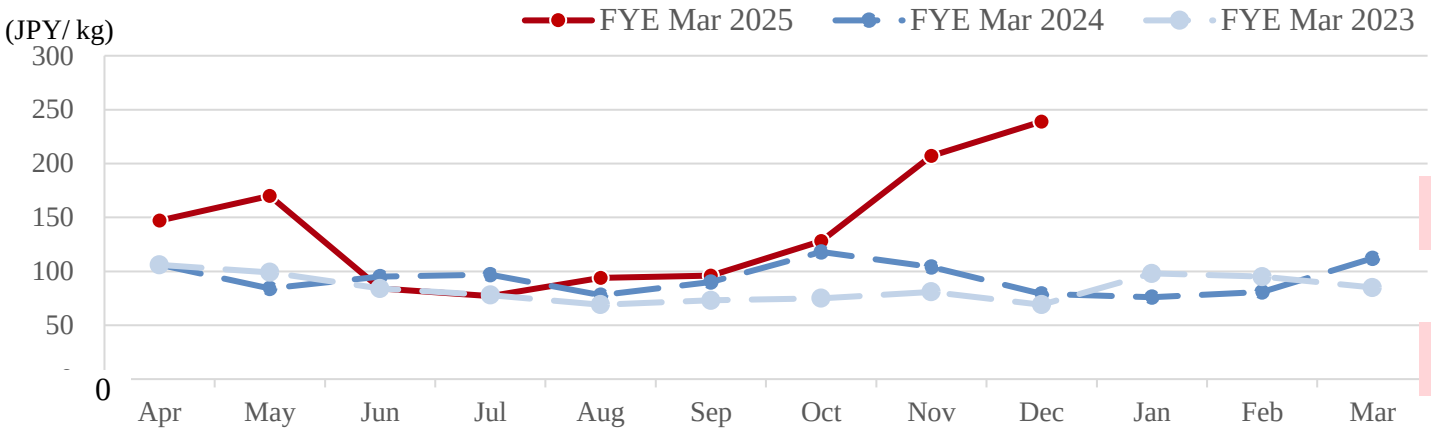
(t)	3Q	Year-round
FYE Mar 2025	4,946	-
FYE Mar 2024	5,147	7,014
FYE Mar 2023	5,893	7,887

Sources: The Company created the chart based on the Market Statistics Data from Metropolitan Central Wholesale Market

Market Transactions of Seasonal Vegetables

Unit Sales Price

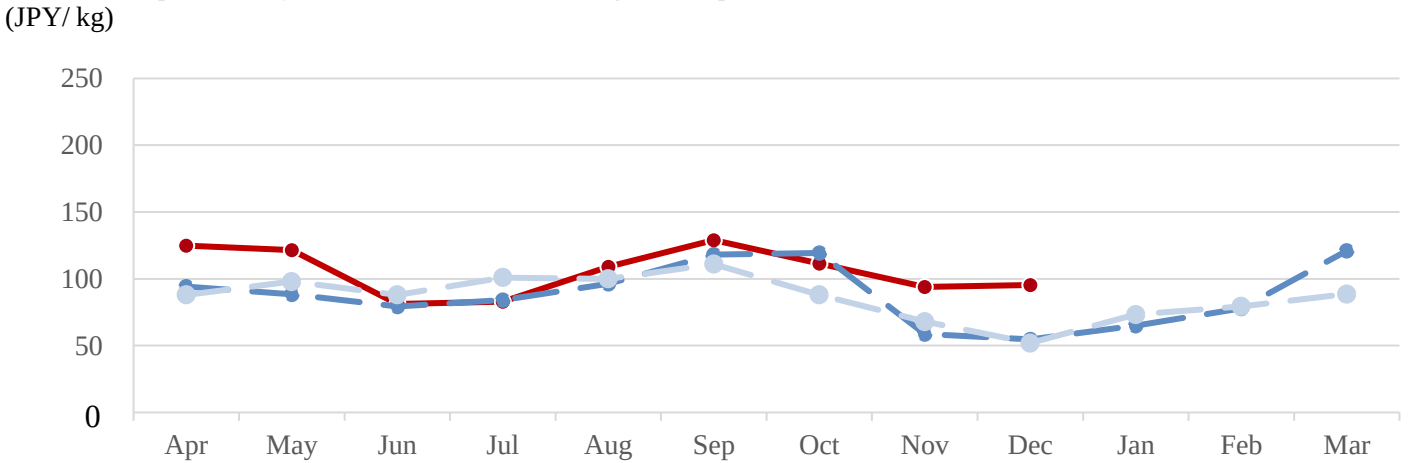
Spring vegetable (Cabbage)



Weighted Average Unit Sales Price

(JPY)	3Q	Year-round
FYE Mar 2025	132	-
FYE Mar 2024	95	94
FYE Mar 2023	82	84

Winter vegetables (Chinese cabbage, Radish)

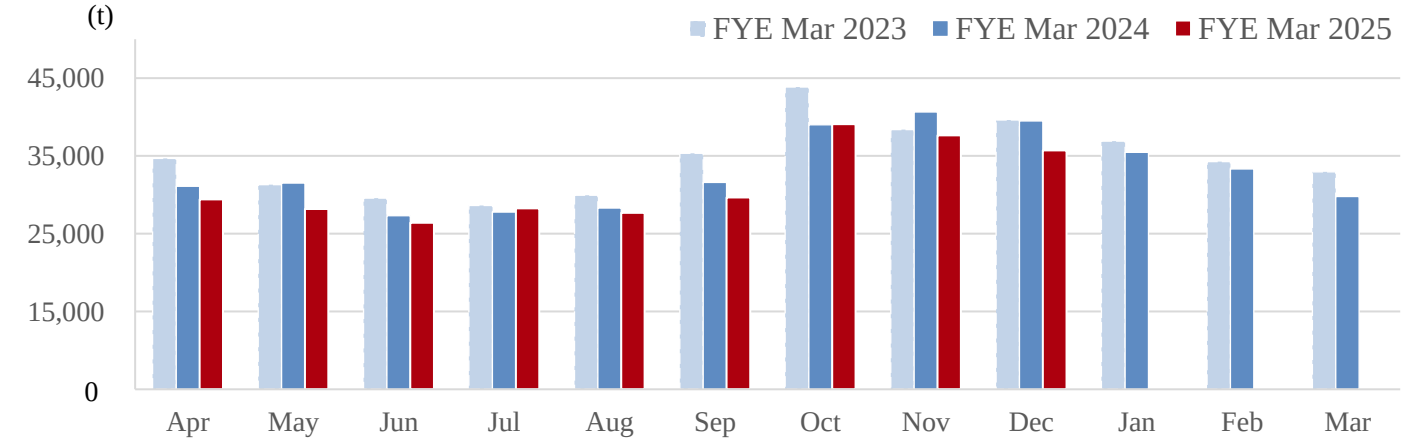


Weighted Average Unit Sales Price

(JPY)	3Q	Year-round
FYE Mar 2025	105	-
FYE Mar 2024	86	85
FYE Mar 2023	85	83

Sales Volume

Sum of 3 items[1]



Sales Volume

(t)	3Q	Year-round
FYE Mar 2025	282,022	-
FYE Mar 2024	296,771	395,292
FYE Mar 2023	311,345	415,476

1 Refers to cabbage, Chinese cabbage, and radish

Sources: The Company created the chart based on the Market Statistics Data from Metropolitan Central Wholesale Market

Disclaimer

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

The forward-looking statements, such as forecasts of financial results, included in this document are based on the information available to the management as of the date of this document and certain assumptions that the management considers reasonable. The Company does not promise that forecasts will be achieved. Actual results may differ significantly due to a range of factors.

Please also note that this document contains managerial accounting figures that have not been audited by independent certified public accountants or audit firms and are not based on historical financial statements.

雪国まいたけ

YUKIGUNI MAITAKE CO., LTD.

Securities Code: 1375